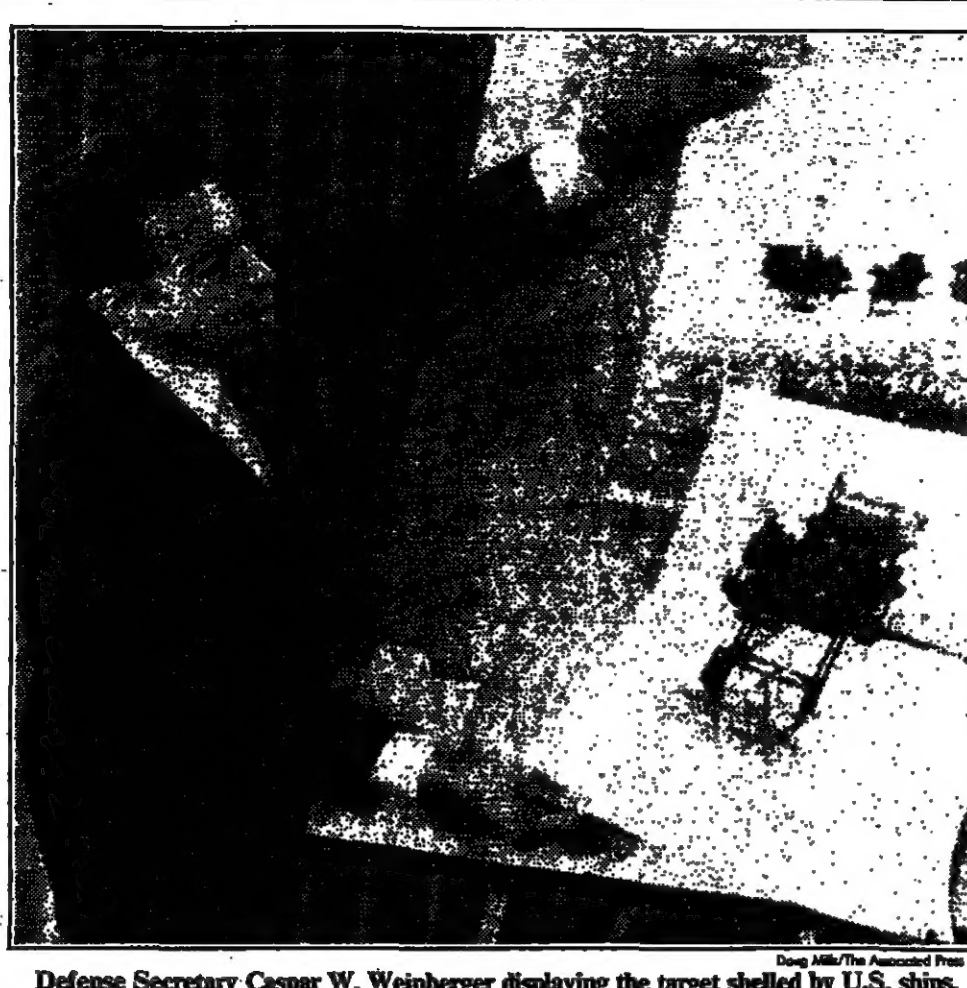


New York Stocks Take Historic One-Day Plunge; Dow's 508-Point Decline Surpasses Loss in 1929

Iran Site in Gulf Destroyed by U.S.

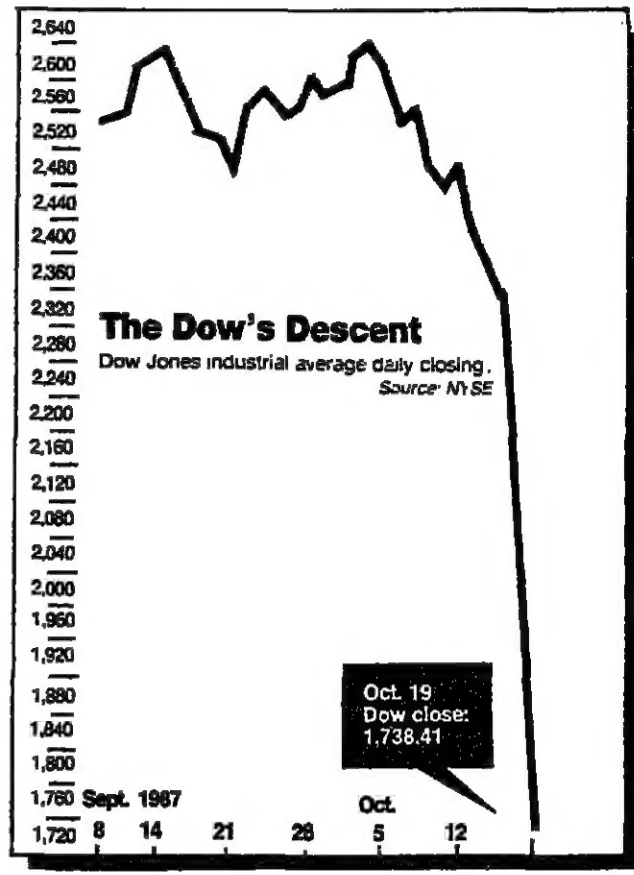
By David Hoffman and Molly Moore
Washington Post Service
WASHINGTON — Four U.S. ships, including the USS *Mississippi*, destroyed an Iranian oil-drilling platform in the Persian Gulf on Monday, the United States charged, after Iranian forces also boarded and destroyed a U.S. oil tanker, the *Liberté*, in the Gulf. U.S. military forces also boarded and destroyed a U.S. oil tanker, the *Liberté*, in the Gulf. U.S. military forces also boarded and destroyed a U.S. oil tanker, the *Liberté*, in the Gulf.



Defense Secretary Caspar W. Weinberger displaying the target shelled by U.S. ships.

By John Meehan
International Herald Tribune
NEW YORK — Unabated selling swept Wall Street on Monday in a plunge that surpassed the great crash of 1929. The Dow Jones industrial average fell 508.32 points, or 22.6 percent, in the heaviest trading ever seen on the New York Stock Exchange.

The index, an average of 30 blue-chip U.S. corporations, closed at 1,738.41, more than erasing all the gains of 1987. Volume, at 604 million shares traded, was nearly double the previous record of 338 million set last Friday. Only 13 NYSE-listed stocks rose in price while 1,577 fell on a tape that ran more than an hour late at the close.



Iran Vows 'Crushing Blow' in Retaliation

By John Kiefer
New York Times Service
PORTUGAL — Iran vowed Monday to deliver a "crushing blow" against the United States in retaliation for the attack on an oil platform in the Persian Gulf. The United States has entered a state of emergency, and the director of Iran's War Information Office.



Defense Secretary Caspar W. Weinberger displaying the target shelled by U.S. ships.

Kiosk

Goetz Is Given 5-Month Term

NEW YORK (AP) — Bernard Goetz, who shot four youths on a New York City subway train three years ago, was sentenced Monday to six months in prison and five years probation on his conviction for illegal possession of a gun he used in the shooting.

Takeshita Is Named to Succeed Nakasone



Noboru Takeshita, named to succeed Yasuhiro Nakasone as president of Japan's Liberal Democratic Party, paints an eye of a Daruma doll to celebrate the fulfillment of a wish.

By Clyde Haberman

TOKYO — Noboru Takeshita, a former finance minister and a master of political compromise, was named Monday to become Japan's next prime minister when the incumbent, Yasuhiro Nakasone, designated him to be his successor.

GENERAL NEWS

Sweden's justice minister resigned over the escape of a convicted spy. Page 8.
Many Asian and Pacific nations are confronting a surge of ethnic tension. Page 5.

BUSINESS/FINANCE

South Korea's news agency predicted the current account surplus would grow to nearly \$10 billion this year. Page 11.

Special Report

Market forces are pushing telecommunications companies to cross national and technological frontiers. Part I of a special report. Pages 1-VIII.

India Reports a Troop Breakthrough Into Tamils' Main City in Sri Lanka

By Barbara Crossette
New York Times Service
COLOMBO, Sri Lanka — India said Monday night that its troops had broken into the center of the northern Sri Lankan city of Jaffna after a 10-day military campaign against an ethnic Tamil guerrilla army it had pledged to disarm.

■ Takeshita's Stance

In a policy statement last month, Mr. Takeshita said that he would work to continue Mr. Nakasone's policies. He called for efforts to improve relations with the United States, which are strained by trade problems, Reuters reported from Tokyo.

Analysts Caution on Parallels to '29

But Depth of the Panic Sell-Off Caught Them by Surprise

By Carl Gwinn
International Herald Tribune
PARIS — Despite its fearsome dimensions, the violent sell-off on world stock markets Monday was an overdue correction that should not be compared too closely with the October 1929 crash that marked the beginning of an international economic depression, many analysts cautioned.

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Mitterrand, in Bonn, Urges 'Europe of Common Culture'

Reuters
BONN — President François Mitterrand of France called Monday for the creation of a "Europe of common culture" in which a shared identity would bind traditional foes together for a technological leap forward.

"For centuries, the nations of Europe reinforced their identity through antagonism, and they themselves were often created through violence," Mr. Mitterrand said in a speech at the start of a four-day state visit.

"Today, now that the desire to dominate has given way to a spirit of dialogue, we must evolve and change our mentality. We will build a Europe of common culture by protecting our own identities."

Mr. Mitterrand's talks were expected to focus on East-West relations, preparations for a forthcoming European Community meeting in Copenhagen, and bilateral issues.

He placed particular emphasis on the relationship between France and West Germany, which he said was "indispensable" for the construction of Europe.

Cooperation would have been unthinkable at the end of World War II, when France was still recovering from the Nazi occupation, he said, but it has since become almost routine.

Technical collaboration is now crucial, he said.

Mozambique Honors Machel

The Associated Press
MAPUTO, Mozambique — Hundreds of people laid flowers Monday at the grave of Samora Machel and some of those who died with the former president in a plane crash in South Africa a year ago.

"The future of our two nations depends on our will to keep ourselves jointly at the forefront of technological progress," he said, adding that West German and French universities and research centers had an important role to play.

French officials said that Mr. Mitterrand, who regularly travels to West Germany for working visits with Chancellor Helmut Kohl, had earlier felt that a formal state visit was unnecessary. But he later decided that he wanted to round off his presidency with an official tour of West Germany, they said.

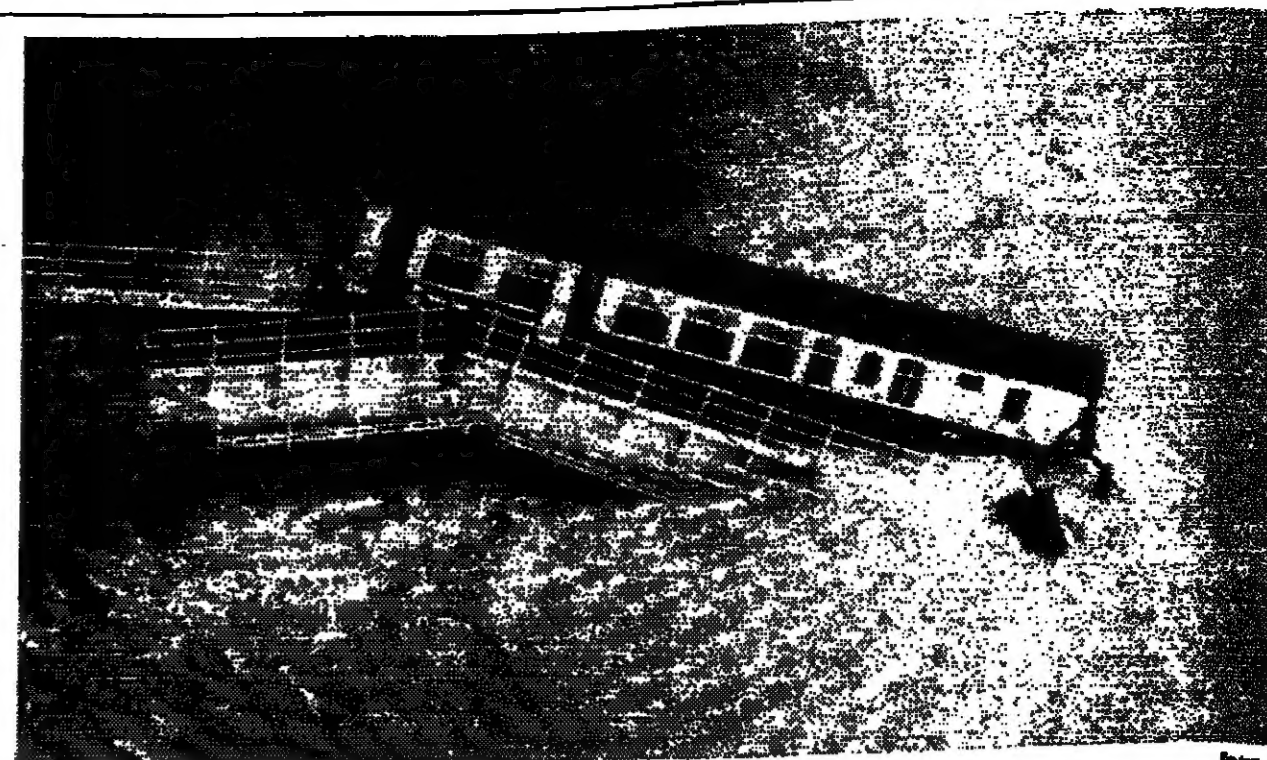
Mr. Mitterrand's visit is part of regular high-level contacts that began during joint Franco-German military maneuvers in September and will culminate in January in 25th-anniversary celebrations of the Elysée friendship treaty between Bonn and Paris, the founding members of the European Community.

After the speech, Mr. Mitterrand held talks with his host, President Richard von Weizsäcker, on security and defense issues, a presidential spokesman said.

On Tuesday, he will underscore the importance of the Franco-German friendship treaty with a visit to the grave of Konrad Adenauer, the chancellor who agreed on the pact with de Gaulle.

Mr. Mitterrand was also scheduled to meet Mr. Kohl, Foreign Minister Hans-Dietrich Genscher, the Social Democratic opposition leader, Hans-Jochen Vogel, the Bavarian premier, Franz-Josef Strauss, and representatives from the radical Greens party in Bonn.

The Socialist head of state, whose seven-year term of office ends early next year, will also travel to the Rhineland cities of Cologne and Düsseldorf and plans a major speech in the historic city of Aachen, which lies on the border between France, West Germany and Belgium.



FLOODING IN WALES — Four persons were feared dead Monday after a train plunged from a damaged bridge over the Tywy River near Swansea, Wales. Navy frogmen searched the river for the train's driver and three passengers, but the police said they were unlikely to have survived. British Rail said the crew was unaware that part of the bridge had been torn away by flooding. Hurricane-force winds in Britain killed at least 13 persons on Friday.

Swiss Coalition Holds Off Green Parties

The Associated Press
BERN — Gains by environmental parties in Swiss parliamentary elections did not challenge the four-party coalition that has governed the country since 1959, virtually complete returns showed Monday.

The coalition's more than three-quarters majority in the 200-member National Council, or lower house, was reduced by 8 seats, to 158. Most newspaper commentators agreed that the vote once more reflected Swiss political stability.

The advance by the Green Party and the Green Alliance was less marked than they had forecast and came chiefly at the expense of the left-of-center Social Democratic Party. Of the four coalition allies, the Social Democrats are the most prominent advocates of ecological causes.

Concern for the environment dominated debates in the largely lackluster campaign.

But the Chernobyl nuclear plant disaster in the Soviet Union and a toxic spill from a Swiss chemical

plant that provoked an international uproar last November did not set off the Green landslide that some analysts had predicted.

Social issues were only a secondary theme in the country, which has the West's lowest unemployment rate and highest per capita national income, and foreign policy problems were totally absent in the discussions.

Turnout, never above 50 percent in the past few elections, was expected to hit a new low. According to final results from

20 cantons and projections from the remaining 3, the Social Democrats lost seven seats, with the environmental groups picking up a combined six.

The Green Party, an ideologically independent group that is thoroughly environment-oriented and steers clear of left-right distinctions, increased its representation in the legislature from four to nine seats.

The Green Alliance, which has a leftist tinge, made less headway.

On the other end of the political spectrum, a newly founded Anti Party, chiefly known for campaigning in favor of raising speed limits, surprised analysts by winning two seats.

The Swiss People's Party, the smallest and most conservative partner in the government coalition, also scored gains, adding 3 to its 23 seats in the lower house.

In the coalition, this almost offset the loss of four seats registered by the right-of-center Radical Democrats, who, however, remained the strongest faction, with 50 members.

The Christian Democrats held their own with 42 seats, outstripping the Social Democrats, at 40, for the first time since 1919.

Elections to the 46-seat Council of States, or senate, virtually confirmed the makeup of the incumbent upper house, except for the surprisingly high backing for a woman candidate of the opposition Alliance of Independents. Monika Weber, former president of the Swiss Consumers' Association, received 193,000 votes in Zurich, the country's most populous canton.

Hungarian Consul's Son Ordered Out of Australia

Reuters
SYDNEY — The son of a Hungarian diplomat was ordered to leave Australia for trying to export high-technology computer equipment in violation of regulations, a Foreign Affairs spokesman said Monday. The sale of certain computer equipment and other high-technology goods to East bloc nations is banned in Australia.

The action against Gabor Kiska, 27, son of the Hungarian commercial consul, Ferenc Kiska, followed investigation by Australian intelligence agents. Mr. Kiska left for Budapest on Oct. 10, the spokesman said.

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WORLD BRIEFS

Belgian Leader Gets Caretaker Role

BRUSSELS (Reuters) — King Baudouin accepted the resignation of Belgium's center-right coalition government Monday after talks failed to resolve a linguistic dispute.

The king asked the outgoing prime minister, Wilfried Martens, 51, to form a caretaker government with a limited mandate until a general election is held, probably within the next few months. A government spokesman said Mr. Martens, the longest-serving Belgian prime minister since World War II, would begin talks immediately with other political leaders.

Mr. Martens offered his resignation Thursday after his coalition split along language lines over a militant rural French-speaking official, Josi Happart, who refuses to take a test in Dutch although the village of Fourons, where he is mayor, is in a Dutch-speaking region.

Yugoslavs Face Economic Restraints

BELGRADE (Reuters) — Prime Minister Branko Mikulic called Monday for higher taxes and wage and price restraints to rein in Yugoslavia's soaring inflation and foreign debt.

Mr. Mikulic told the legislature he would overhaul the taxation system, targeting property, interest on savings and people earning high wages.

President Lazar Mijovic, whose speech was interrupted for 30 minutes when he became ill, urged the legislature to support the measures.

Nancy Reagan Continues Recovery

WASHINGTON (AP) — Nancy Reagan "feels wonderful" after continuing a strong recovery after the surgical removal of her left breast, President Ronald Reagan's physician said Monday.

The White House spokesman, Marilyn Fitzwater, reading a statement from the presidential physician, Dr. John Hutton, said that the president intended to make his fourth visit to Bethesda Naval Hospital in Maryland to be with his wife later in the day.

Mr. Fitzwater reported that Mrs. Reagan, 66, spent part of Sunday evening walking around in her suite. On Monday, she had a full breakfast, the spokesman said. Doctors told the couple Sunday that final laboratory tests showed that Mrs. Reagan's cancer had not spread and that the prognosis for her full recovery was excellent.

High Court Rebuffs Reagan on Visa

WASHINGTON (UPI) — The Supreme Court affirmed Monday a ruling that the Reagan administration cannot refuse visas to foreigners invited to make speeches in the United States because they are Communists or belong to anti-American groups.

The court, in the first ruling of its new term, deadlocked 3-3 in the action affirming the lower court ruling. The court is one justice short since the retirement of Justice Lewis F. Powell Jr. Justices Harry F. Blackmun and Antonin Scalia took no part in the decision.

The decision to affirm the ruling by the U.S. Circuit Court of Appeals for the District of Columbia is a defeat for the government, which has frequently denied visas to leftist political and literary figures seeking to speak in the United States. However, the effect of the ruling is limited in that a ruling by an equally divided court sets no national precedent and only directly applies to the appeals court the case originated from.

Stennis Won't Seek Senate Re-election

JACKSON, Mississippi (AP) — Senator John C. Stennis, a Democrat from Mississippi and the longest-serving member in the U.S. Senate, said Monday that he will not seek re-election next year to the seat he has held since 1947.

Mr. Stennis, 86, president pro tempore of the Senate and chairman of the Senate Appropriations Committee, said that another term would keep him working until he was 93. The announcement came as he underwent "a surgical procedure to correct a prostate gland problem" at Walter Reed Army Medical Center in Washington. A hospital statement described the operation as "a relatively common procedure to relieve a partial obstruction of his bladder." It said that "there was no evidence of cancer."

His decision will leave him just eight months short of the Senate longevity record. He would have to serve until Sept. 18, 1989, to break the service record of 41 years, 10 months and 12 days set by Carl Hayden, a Democrat from Arizona, who retired from the Senate in 1969.

Pretoria Rejects Vancouver Criticism

PRETORIA (AP) — Decisions of the Commonwealth conference in Vancouver last week were "irrelevant and did not merit further attention," Foreign Minister R.F. Botha said Monday.

"The circumstances in which the conference took place and the decisions taken on South Africa were, with one exception, more revealing about the harrowing conditions in the countries of the majority of governments present than any extent to which they cast a credible reflection on South Africa," Mr. Botha said in a statement. All conference participants except Britain called for intensified sanctions against Pretoria.

The South African minister added: "What is nevertheless interesting is that the conference provided an opportunity to give prominence to a report by Amnesty International, which sharply condemned 33 of the member countries for the neglect and violation of fundamental rights of those countries."

For the Record

South African policemen hunted hand grenades into a house, killing a black man, after officers were shot at with a Soviet-made automatic rifle, a police spokesman said Monday. The police reported that the shooting Sunday occurred near Bloemfontein in Orange Free State.

Two Arabs from the Israeli-occupied West Bank were convicted in a military court in Jerusalem on Sunday for the 1986 murder of a moderate Palestinian mayor, an army spokesman said. Muad Abdel Samad and Ahmed Hanins were convicted of killing Zafar al-Masri, the Israeli-appointed mayor of Nablus.

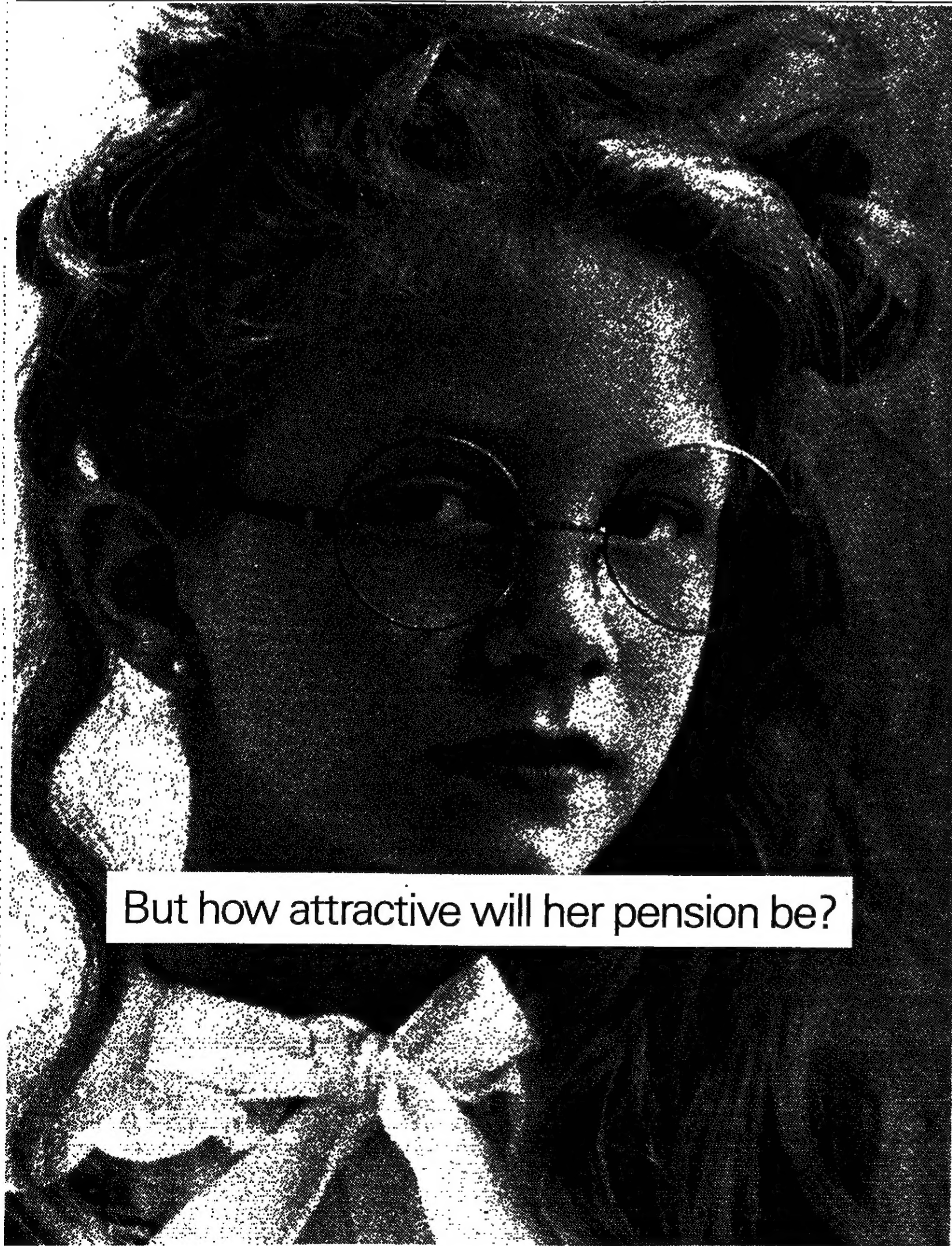
Twenty-eight Danish fishing vessels turned fire hoses on the incinerator ship Vulcanus II in the North Sea on Sunday, and the ship stopped burning toxic wastes after its propeller became entangled with a fishing net, the Greenpeace environmentalist organization said.

TRAVEL UPDATE

Strife Doesn't Deter Ulster Tourists

BELFAST (Reuters) — Tourism in Northern Ireland is expected to rise 6 percent in 1987 despite the most violent year of political and sectarian strife since 1963, according to tourism officials.

A visitor survey showed that curiosity, an interest in politics and history, and a desire to see if news media accounts of the conflict were accurate had brought 34 percent of the visitors to the province. Beautiful countryside attracted 28 percent and friends and relatives 27 percent.



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Baby Without a Brain Is Used as Organ Donor, Raising New Possibilities and Issues

By Sandra Blakeslee
New York Times Service

LOS ANGELES — In a radical departure last week from standard medical practice, doctors in Canada kept alive a baby born without most of her brain so that her heart might be salvaged for a transplant operation.

The baby, connected to a respirator, was flown to California where her heart was given Friday to a boy delivered hours before.

Without mechanical life support, the organs of brain-absent infants, or anencephalics, tend to atrophy as the babies slowly die, usually within a few days of birth. Transplant centers routinely reject anencephalic donors because they are not considered dead under state laws and medical society standards. By the time they are legally

dead, their organs are useless for transplanting.

Medical experts said they knew of no other case since these laws and standards were adopted in the early 1980s in which doctors acknowledged using a brain-absent baby as an organ donor.

The transplant operation Friday has gained wide attention because of the age of the recipient, but doctors and ethicists say it is the exceptional treatment of the donor that opens the possibilities for hundreds of more transplant operations and raises difficult moral decisions for parents and physicians.

The donor, called Baby Gabrielle by her doctors, was born Oct. 12 and taken to Children's Hospital in London, Ontario, where she was connected to a respirator.

Her condition was diagnosed late in her mother's pregnancy, ac-

cording to Dr. Tim Frewen, chief of pediatrics at the hospital. He said Gabrielle's parents, from Orillia, near London, made the decision to keep the baby alive and connected to machines so that her organs would remain healthy.

"The parents insisted that they wanted their infant's organs used," Dr. Frewen said in a telephone interview. "They wanted to see that their baby would touch others and contribute to life some way."

Dr. Frewen said he attended a conference in Ontario in January on the use of anencephalics as organ donors. "The consensus was that in the presence of consenting parents it was ethical to offer life support," he said.

But until Gabrielle's parents asked about the possibility of donating her organs, the theories developed at the conference had not been put into practice.

The baby was pronounced legally dead on Wednesday. Her body was kept on a respirator and flown to Loma Linda University Medical Center in California. On Friday morning, her heart was given to a baby, Paul Holc, delivered earlier that day.

A medical statement from Loma Linda, issued Saturday, said that Paul "continues in critical but stable condition."

The strategy of giving temporary life support to babies who are doomed to die so that their organs can be preserved for babies who might benefit from transplants could herald a new era in infant transplant medicine, according to transplant experts in both the United States and Canada.

Organs for infants and newborns are in very short supply. Experts estimate that from 40 percent to 70 percent of children under 2 years

old who are on transplant waiting lists die before suitable organs can be found. There are 400 to 500 newborn infants who need hearts and kidneys and 500 to 1,000 who need livers, according to Alexander Kapron, professor of law, medicine and public policy at the University of Southern California.

If organs from the 2,000 to 3,000 anencephalic infants born each year in the United States could be used for transplant, experts say many more lives could be saved.

But the new practice raises new issues as it solves old ones.

It has not been deemed ethical to use anencephalic infants as transplant donors in North America because, lacking brains, they do not meet strict criteria for brain death and thus are not considered legally dead, said Dr. Michael Harrison, a pediatric surgeon at the University of California in San Francisco. Although anencephalics lack all or most of their cerebral hemispheres, they have lower brain stems that keep their hearts and other organs functioning.

When anencephalic babies are born, Dr. Harrison said, they are made as comfortable as possible. Food and water are given, but no efforts are made to preserve life. The infants are doomed to die within a few days of birth.

As their brain stems slowly stop functioning, however, their organs deteriorate and cannot be used for transplanting. Several efforts to amend the brain death laws so that anencephalic babies could be used as organ donors while still technically alive have not been successful.

Late Wednesday afternoon, it was determined that Gabrielle could no longer breathe without the respirator. At that point she met the legal criteria for brain death, Dr. Frewen said, and because she had been kept alive, her organs were still healthy.

Transplant coordinators in Canada and the United States then worked to find recipients for her

organs. Arrangements were made to fly her body to California for the heart transplant operation Friday.

Dr. Calvin Stiller, chief of the Multi-Organ Transplant Service and professor of medicine at University Hospital in London, Ontario, said the Canadians felt it was

important to work within medical and legal definitions of brain death for reasons of principle. He said the use of patients who were legally alive as organ donors raised the specter of using the approximately 10,000 adults being kept alive artificially as donors.

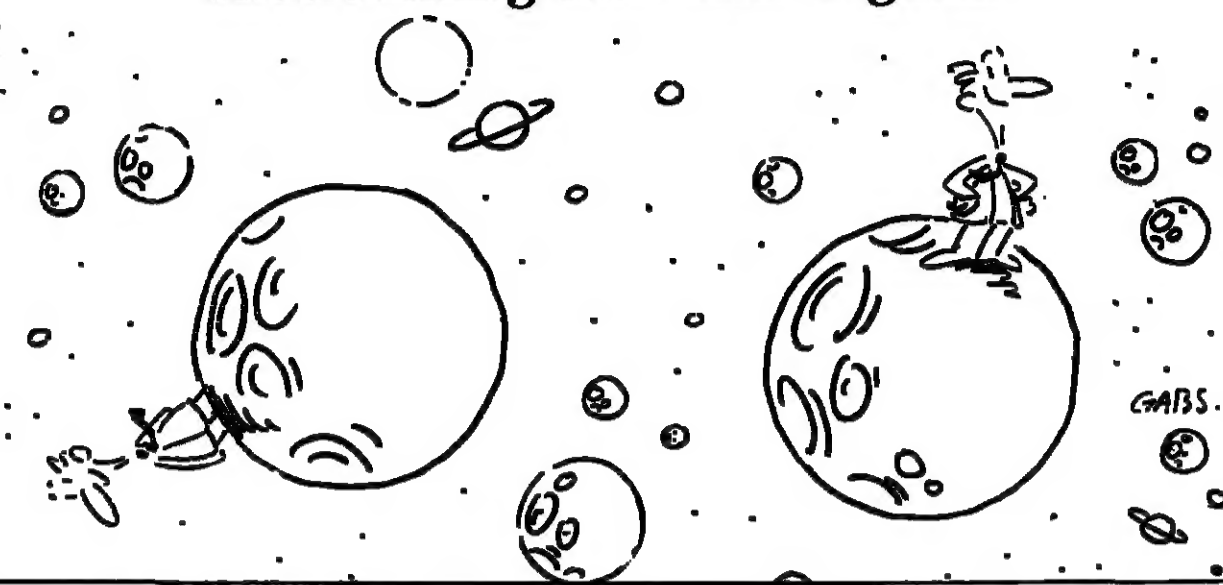
"If you took it to its macabre extension," he said, "it would be to bury a breathing corpse."

Nevertheless, doctors predicted that the strategy would open the door to much wider use of brain-absent infants as organ donors.



END OF AN ORDEAL — Jessica McClure sleeping in the lap of her mother, Reba, on Monday as her father, Chip, held her injured foot. The 18-month-old child is recovering in a Midland, Texas, hospital after falling into a well. She was rescued two days later.

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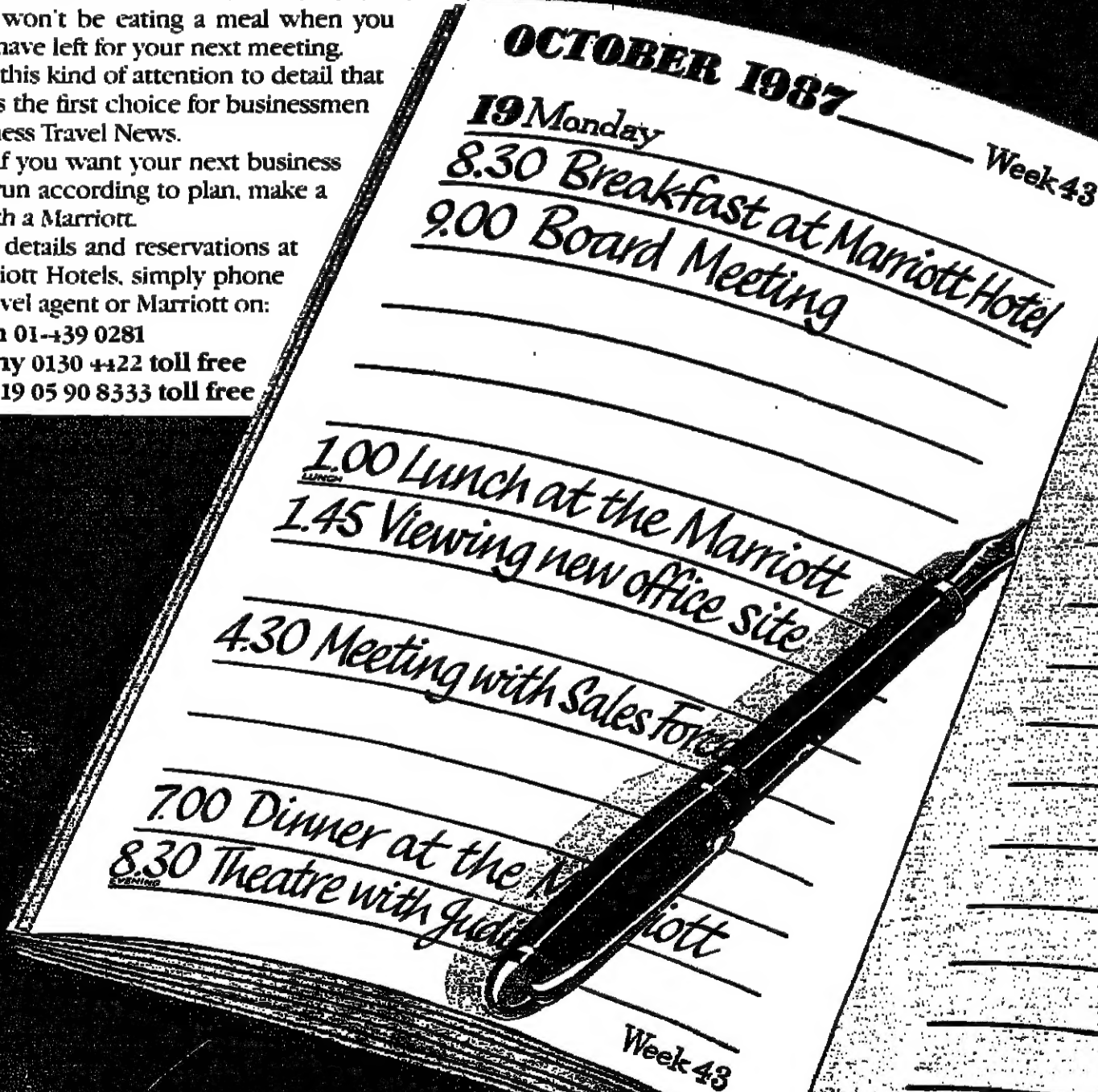
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U.S. Studies Find Women With AIDS Die Significantly Sooner Than Men

By Gina Kolata
New York Times Service

NEW YORK — Women with AIDS are sicker and are dying more quickly than men who have the disease. The finding is shocking and puzzling researchers.

Although there are no good national data on the comparative experiences of women and men with acquired immune deficiency syndrome, studies in New York, Miami and California have found that women are dying significantly faster than men after being diagnosed as having AIDS.

There is no obvious explanation, say several researchers. They believe the difference may be a genuine one, not simply a consequence of, say, women's being diagnosed later in the course of the disease.

The data are attracting interest because they may provide researchers with a clue about how and why a person infected with the AIDS virus develops the full-scale disease. When people develop AIDS, their immune systems become crippled, opening the way to a variety of infections and cancers that cause illness and death.

"We see a dramatic difference in the survival of women with AIDS," said Dr. Margaret Fischl of the University of Miami, one of the researchers who found the effect. She added that she was "disturbed by the imbalance."

While scientists have no sure evidence as to what accounts for the difference, many are speculating that a biological difference might be involved. "The reason may be hormonal," Dr. Fischl said. "AIDS in women may be a different disease."

But the experts who were interviewed are also cautious. They warn that before any conclusions are drawn about biological reasons for the differences in survival times, social reasons, such as poor access to medical care, must be ruled out. "We must be careful at this point," Dr. Fischl said.

Nonetheless, investigators said, the figures are at least an intriguing hint at new directions for research. "It's a potential avenue for investigation and a potential avenue for therapy," said Dr. Richard Roubenoff of the federal Centers for Disease Control in Atlanta, who also is among those coming up with the evidence.

Dr. Fischl has seen 119 women with AIDS, 111 of whom were diagnosed in the past three years. They survived an average of 6.6 months after diagnosis, while men with AIDS survived an average of 12 to 14 months, Dr. Fischl found.

The most dramatic data are from California. Looking at data on 7,074 people who were diagnosed as having AIDS before Dec. 31, 1986, Paul Harder of Harder Kibbe Research and Consultants in San Francisco found that the 128 women in the study lived an average of 40 days after being diagnosed as having AIDS, while the 6,946 men

lived an average of more than a year.

Mr. Harder was directing a consulting project for the state of California and thus had access to the data.

Experts said there were several possible nonbiological reasons that women with AIDS might have shorter survival times and that these reasons must be ruled out before too much is made of the finding. So far, however, the groups in New York, Miami and California have excluded at least some of these potential explanations.

It could be, for example, that the data really reflect a comparison of a group of predominantly homosexual men with a group of predominantly intravenous drug-using women, experts said. Homosexual men are known to have much better survival times than intravenous drug users. Researchers speculate that this is because the drug users are sicker to begin with and may be less likely to seek medical care.

But in California, according to Mr. Harder, the women "in general are partners of intravenous drug users." Most of the women did not use drugs themselves; they were infected through sexual intercourse.

In New York, according to Dr. Rand Stoneburner of the New York City Health Department, women with AIDS fared worse than men even when drug use was taken into account. Sixty percent of the New York women in the study used intravenous drugs, 23 percent were infected through sexual intercourse and most of the rest were infected through blood transfusions or were from Haiti, a country where heterosexual transmission of the AIDS virus is common.

The Miami women, according to Dr. Fischl, were almost equally divided between intravenous drug users and Haitians. A small number were infected through sexual intercourse or blood transfusions.

It could also be that the women

were poorer than the men and had less access to medical care, experts said. In Miami, Dr. Fischl said, about 75 percent of the men in the study were poor, as were virtually all of the women.

Other social factors, too, might explain the findings. Mr. Harder suggests that since AIDS is still rare among women in California, doctors may not consider it when they see a female patient.

But in New York, where AIDS in women is increasingly common, the basic factor is that "gender seems to play a role" in the severity of AIDS infections, Dr. Stoneburner said.

Dr. Fischl suggested that female hormones could affect the course of the disease. She and others suspect that AIDS infections worsen during pregnancy, although experts said this was not completely established.

And if pregnancy does exacerbate an AIDS infection, experts said, this, too, raises more questions than answers about how and why the hormonal and immune system changes of pregnancy have that effect.

Although scientists suspect that there are changes in the immune system during pregnancy, Dr. Susan Cowie of Jefferson Medical College in Philadelphia said, "We don't see many obvious changes in a normal pregnancy." The immune system changes, she added, are thought to be subtle and very specific.

Hormonal changes, in contrast, are obvious during pregnancy, Dr. Cowie said. Sex hormones are present at substantially higher levels and there are greater concentrations of other hormones as well, including steroid hormones and thyroid hormones.

Although both male and female sex hormones could be important in the course of the AIDS infection, Dr. Fischl said, "It is impossible to speculate at this point."

Laurel and Enrile Form Alliance for Local Poll

The Associated Press

MANILA — Vice President Salvador Laurel said Monday that he was joining forces with Juan Ponce Enrile, a former defense minister and now a government opponent, for local elections.

Mr. Laurel also said that President Corason C. Aquino may not serve her full term if she "makes mistakes left and right."

The vice president said he and Mr. Enrile were forming a "tactical alliance" to support candidates in the Jan. 18 local elections, but said they were not opposing the president.

Reports of an alliance between Mr. Enrile and Mr. Laurel fueled speculation that conservative groups were organizing an "alternative government" in case Mrs. Aquino is toppled in a coup.

Her term expires June 30, 1992. "I think a great deal will depend on how she handles the situation right now," Mr. Laurel said. "If she makes the right decisions, decisive moves, I think she will last the

measure of her term. But if she makes mistakes left and right, she may not."

The Aquino administration is trying to restore public confidence after an Aug. 23 coup attempt in which 53 persons died and hundreds were wounded. It was the gravest threat to Mrs. Aquino since she came to power in a February 1986 civilian-military rebellion in which President Ferdinand E. Marcos was overthrown.

On Sunday, rebel troops believed linked to a renegade officer, Lieutenant Colonel Reynaldo Cabatuan, stole an armored personnel carrier from army headquarters and drove it to Santo Tomas University.

Troops and tanks rushed to the presidential palace and university area, and security was increased at military installations in the capital. The acting governor of Manila, Jejomar Binay, said that Colonel Cabatuan planned to begin an attack on the presidential compound from the campus.

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Asia and Pacific Nations Come to Grips With Surge of Ethnic and Religious Tension

By Michael Richardson
International Herald Tribune

SINGAPORE—A surge of ethnic and religious tensions across Southeast Asia and the Southwest Pacific, a region dominated by multiracial societies, has prompted governments to intensify efforts to find ways to maintain national unity.

Fiji, New Caledonia, Australia, New Zealand, Indonesia, Singapore and Malaysia are affected, diplomats say.

At the heart of the ferment, they say, is the relationship between the original inhabitants and those who have settled later, particularly Chinese, Indians and Europeans.

In Fiji, New Caledonia and Malaysia, differences have been inflamed by recent political conflicts, and a resurgence of Islam in Indonesia and Malaysia, and of Christianity in Singapore, has also created tensions.

The conflicts between native nations and settlers are often complicated by religious, language and cultural differences.

Analysts say real and feared discrimination, cultural and religious oppression, loss of land and exclusion from the benefits of economic growth are the main reasons for minority discontent.

Advocates of policies favoring indigenous races seek to provide assurances against dominance by outsiders, thus helping to maintain national harmony.

Critics contend that such policies widen and perpetuate racial, religious, linguistic and cultural divisions.

In Singapore, where Chinese form slightly more than three-quarters of the population, the government is considering ways of guaranteeing future representation of minority Malays and Indians in Parliament and in the cabinet.

Prime Minister Lee Kuan Yew said Friday that to "survive as one people in one nation, when you are really the products of thousands of years of separate nations," required a conscious effort of tolerance.

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Sinhalese in Sri Lanka was an important lesson for all multiracial societies.

It showed, he said, that ethnic minorities "must feel alienated when they are discriminated against and do not enjoy the benefits of national progress."

In Indonesia, the government is promoting a national ideology known as Pancasila to bridge religious, racial and political differences. Its five principles are belief in one God, humanitarianism, national unity, consensus democracy and social justice.

Under a law passed in 1985, major organizations, including political parties, religious groups and trade unions, must adopt Pancasila as the guiding ideology in their constitutions.

Diplomats in Jakarta said widespread acceptance of the ideology had helped to reduce tensions.

Prime Minister Bob Hawke of Australia said last month that before Australia celebrated 200 years of European settlement in January he would try to conclude an agree-

ment with aborigines recognizing injustices against them.

Charles Perkins, head of the Department of Aboriginal Affairs in Canberra, said aborigines wanted a treaty that would be made part of the constitution.

It should, he said, recognize the aborigines' prior ownership of Australia, as well as their laws, culture and sacred sites. He said it ought to help them to improve health, education and living standards that he said were generally "disgraceful." Mr. Perkins is an aborigine.

Immigrants have swamped original inhabitants in Australia, New Zealand and Singapore. Aborigines form 1 percent of Australia's population, Maoris less than 10 percent of New Zealand's and Malays 15 percent of Singapore's.

In New Zealand earlier this year, Sir Paul Reeves, the governor-general, called for better treatment for Maoris, whose Polynesian forbears fought to resist European settlement.

Sir Paul, a Maori, said Maoris "must be able to develop their culture and institutions as non-Maoris have done, and use the resources of our nation."

Champions of indigenous interests in the Southwest Pacific and Southeast Asia have frequently complained that colonialists have encouraged the settlement of outsiders.

Jean-Marie Tjibaou, leader of the main separatist coalition on

Chinese Officials

Reject Calls for 'Greater Tibet'

BEIJING — Chinese officials have rejected calls for Tibet's boundaries to be redrawn to encompass areas of Chinese territory populated by more than one million ethnic Tibetans, a Chinese magazine reported Monday.

The weekly Beijing Review quoted senior officials as saying that a "Greater Tibet" was "unrealistic and unattainable" because it would be divided by high mountains and its vast size would hamper economic development.

The magazine also quoted officials as repeating China's invitation to the exiled Buddhist spiritual leader, the Dalai Lama, to return.

An Asian diplomat said it was the first time China had publicly acknowledged calls by overseas Tibetans for a Greater Tibetan Autonomous Region. According to official Chinese figures, nearly two million Tibetans live in Tibet itself while around 1.5 million live in surrounding provinces.

Westerners in the Tibetan capital, Lhasa, where 19 persons died in rioting on Oct. 1, said Monday that the police were patrolling the Jokhang, Tibet's holiest Buddhist temple, circling the building anticlockwise against the customary clockwise flow of pilgrims.

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Jean-Marie Tjibaou, leader of the main separatist coalition on

the country a republic. The Commonwealth is an association linking Britain and 47 of its former colonies in Asia, the Pacific, Africa and the Caribbean. Its heads of government met in Canada last week.

Colonel Rabuka said that a constitution would be drawn up to guarantee political supremacy of Melanesians over islanders of Indian descent. Melanesian ownership of 83 percent of the land in Fiji would also be guaranteed, he said.

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RAMSES HILTON

Herald Tribune

Published With The New York Times and The Washington Post

Ban Chemical Weapons

Quite suddenly the possibility arises of Soviet and American agreement on banning the production, storage, transfer and use of chemical weapons. These are not the main weapons in either great power's arsenal, but they have a special aura of horror and are part of the immense attack capability that the Kremlin has prepared in Europe.

Since chemical weapons are available to non-nuclear countries as well as to nuclear ones, the international negotiations organized to contain them have gone on in the 40-nation Committee of Disarmament in Geneva. For years Moscow stonewalled and no progress was made, but now Soviet policy has changed, possibly in part because the Reagan administration finally persuaded the U.S. Congress to stand down the road to producing new chemical weapons—a development that we thought was wrong and still think is dangerous, but one which seems to have had a useful strategic effect.

According to the Kremlin, the Soviet Union has already stopped producing chemical weapons, does not store them outside its borders and will destroy its stockpiles upon conclusion of an international treaty. Demonstrating the new Soviet embrace of on-site inspection, foreign experts, including American officials, were recently

invited to the Shikhan chemical weapons facility. But the visit, presumably intended to build confidence, built doubt, too. Not all the weapons that the Soviets are thought to possess were put on view, and the Kremlin still insists that it will not report on its stockpiles until a treaty is done.

Chemical weapons are easy to make, in factories that can be quickly converted from civilian use, and easy to hide. On-site inspection is useful but, especially in this area of arms control, no panacea. A verification scheme may be possible that reduces chances that cheating will go undetected and increases the political costs to the cheater. These are minimal standards, however, and a treaty meeting them might not survive the intense scrutiny it would surely get and deserve in American political debate.

It makes sense to think of limitations in the context of a larger agreement on dismantling the Kremlin's whole European invasion capability, of which chemicals are just one part. Meanwhile, Moscow is welcome to show in any way it can that it is going out of the chemical warfare business. And Washington should make sure that its own run-up to production of a new nerve gas does not put it more deeply in.

—THE WASHINGTON POST.

Change the Rules for All

Ida Nudel's going-away dinner at the Vilnius restaurant in Moscow last week must have been a joy. The "mother of the Soviet refuseniks" was bound for Israel after 16 years of trying. Josef Begun, Moscow's unofficial rabbi, was there, his permission to leave came last month. Vladimir Slepak arrived waving the permission he and his wife had just received. They applied 17 years ago.

The West can feel the joy all the way from the Vilnius, and properly let Mikhail Gorbachev know. Still, for the talk of reform, Mr. Gorbachev plays the emigration game the old way, handing individuals their freedom to spice improving relations with America. It is not a bad strategy when he expects soon to visit Washington, where he must face protests by American Jews. Perhaps releasing prominent refuseniks will head them off. Better freedom this way than not at all.

But better still to change the rules for all, Jews and non-Jews, and not just bend them for the few. Some welcome, if tentative, steps in that direction are emerging.

The three at the Vilnius were among a dozen prominent refuseniks given permission to emigrate this year. A high-level commission is reviewing 100 such cases, with mostly welcome results. Beyond those prominent people, about 5,000 Soviet Jews have been granted permission to emigrate since January, compared with fewer than 1,000 last year—but also compared with 50,000 in the peak year of 1979.

A good guess is that a majority of the 11,000 known refuseniks will be allowed to leave in the next months. Most of the current departures are old cases. Estimates of the number of Jews still wishing to leave run into the hundreds of thousands. Will emigration return to a trickle when the current books are

cleared? And what of those Jews who stay? Will they be allowed to profess their faith, study Hebrew, pursue their cultural traditions without fear of reprisal?

There are promising signs of change. Soviet officials begin to revise their legal code, repeal of the odious catch-all law on anti-Soviet defamation looks likely, although a harsher measure also used against dissidents will probably remain. Guidelines for emigration eligibility are being reviewed, too. Denial of emigration to citizens who supposedly possessed state secrets may be amended. A Soviet-American liaison office will be established in Moscow to consult on emigration.

As for those who stay, several synagogues have reopened, academics feel free to pursue Jewish scholarship and a few Jewish cultural centers are opening. Also, more Jews are permitted to travel abroad.

Opening emigration and lifting repression are costly in a polyglot nation of more than 100 recognized nationalities. A wave of protests swept the Baltic states this summer. Religious freedom is of more than passing interest to a fast growing Moslem population. And the last census shows ethnic Russians as a fast dwindling majority. Mr. Gorbachev must hold together his old-fashioned empire with a Russian population that cares far less for individual liberty than for strong central authority.

Those dreary realities loom large over Western hopes for fundamental human rights change, and remind the observer to rejoice with Ida Nudel and the others at their new freedom. That does not mean forgetting that the real victory would be an end to the laws and attitudes that bedeviled them—and mostly remain to haunt others.

—THE NEW YORK TIMES.

Other Comment

Slow Recovery for UNESCO

It is a telling reflection on UNESCO's predicament that the nomination of Federico Mayor Zaragoza to be the new director-general was greeted mainly with relief because the controversial Amadou Mahtar M'Bow appears to have been thwarted in his ambitions for a third term. The weekend's antics will have done little, however, to restore UNESCO's battered credibility.

Mr. M'Bow has still not said unequivocally that he is out of the race. The continuing uncertainty, fueled with bitterness, shows every sign of dominating the agency's proceedings as it lurches toward the full general conference of its 153 members in early November. This is unlikely to help convince those wavering within UNESCO—such as Japan, Switzerland and West Germany, to name but a few—that a new era is at hand. Nor will it persuade London and Washington that the organization from which they withdrew in protest has convinced itself of the need for rapid and radical reform.

If indeed the Spanish biochemist does succeed in becoming UNESCO's next director-general, he faces a Herculean task in pulling this debilitated, confused and divided organization back onto its feet.

—The Independent (London).

Americans Aren't Japanese

In recent years, Americans have been beaten at our own game by the Japanese so often and so decisively that we have begun to think that they are not only better and smarter than we are, but have some inextinguishable and divine power. In fact, it was our missteps as much as Japan's right moves that led to our decline and its rise.

The Japanese are the ultimate organization men, but it was the triumph of our own organization men that got us into the soup in the first place. American business has almost organized itself out of existence in the last several decades. What it needs today is a lot less organization, not more.

Americans are, by nature, free-wheeling, adventurous, irreverent and inventive. To

deny that nature is to court trouble, as our recent decline has shown. We will end the decline not by emulating the Japanese, or sinking them, but by becoming ourselves again, by concentrating on our particular strengths—exploring, inventing, building.

American industry is not being done in by the Japanese but by its own inability to see and adapt to the world as it is.

—Warren Benini, professor of business administration at the University of Southern California, and co-author of "Lead ers," writing in the Los Angeles Times.

Helping Peru's Hinterlands

President Alan Garcia Pérez's move to nationalize the banking system in Peru will make heavy resistance, and is unlikely to improve the country's economic situation. One may also reasonably doubt whether it will help to pump capital into the rural sector, where it is most badly needed. Development of the hinterland is important not only for economic but for political reasons; anti-government guerrilla movements would have less support if the economic situation in the countryside improved. If the situation continues to deteriorate after the nationalization measures, the armed opposition probably will make further gains. Nationalization of the financial sector will cost the government dearly both economically and politically.

—Neue Zürcher Zeitung (Zurich).

In Praise of Nancy Reagan

Breast cancer has long been among the greatest anxieties of all women and of the husbands and families who love them. Nancy Reagan could have gone quietly into the hospital for her operation, slipping anonymously through a back door. But she chose to go public, and for that we owe her gratitude. It is better to talk openly about cancer, better to take the tests, better to get the treatment. It is fear that is most fatal. Nancy has shown none. We applaud her and we pray for her speedy recovery.

—The Daily Express (London).

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OPINION



War Powers At Liberty To Grumble

By Edwin M. Yoder Jr.

WASHINGTON — Ever since the Reagan administration agreed to put American flags on Kuwaiti oil tankers and provide them with an escort of U.S. warships, Congress has fumed that the 1973 War Powers Resolution is being ignored.

The reasons vary. Some senators claim that Congress really wants to share responsibility if something goes wrong, a claim not to be taken seriously. Others, like Senator Lowell Weicker of Connecticut, seem to say that this dubious act should be enforced because it is there, like Mount Everest, cause it is there.

The crisis in Congress gained momentum Monday with the announcement that U.S. warships had destroyed an Iranian oil platform in the Gulf.

In the War Powers Resolution, Congress said in essence that a president who puts U.S. armed forces in danger of "imminent hostilities" must notify Congress, which then has 60 to 90 days to approve or not. The resolution was, in effect, Congress's reaction to the involvement in Vietnam, just as the obstructive Neutrality Act of 1935 (which, until amended, kept Roosevelt from selling arms to the anti-Hitler forces in Europe) was a misguided comment on how the United States got into World War I.

But the implication that Congress was dragged unwittingly and unwillingly into Vietnam is silly. Congress was a willing collaborator until very late in the debate. And it is hard to believe that Congress today would require a president to pull U.S. naval forces out of the Gulf, where they have been since the late 1940s.

And the wording of the War Powers Resolution is vague. "Hostilities," for instance, are not defined. The constitutionality of the enforcement mechanism—a joint resolution, without presidential signature—was cast into doubt when the Supreme Court said that acts having the force of law must be made joint resolutions, be presented to the president for his signature.

Every president since Richard Nixon, who vetoed the act, has questioned its constitutional validity. It has been formally invoked only once, in the deployment of U.S. Marines to the Beirut airport. Congress then "gave" President Reagan 18 months. But that did not silence a rumormongering commentary that finally intimidated the administration and forced a sudden, shameful pullout.

Jimmy Carter did not bother with the War Powers Resolution when he tried the rescue mission in Iran. Nor did Mr. Reagan when he invaded Grenada or bombed Libya. Those operations were far more clearly "hostilities" than escorting tankers in the Gulf, but were short-term operations, not likely to exhaust a 60-day limit. This is another puzzle.

The fixation on the War Powers Resolution is hard to understand. Congress, after all, is at liberty to express its view of any presidential use of American forces, anywhere, without waiting for the War Powers Resolution. Congress has ample powers of the purse to put an end to any expedition it wishes to. And it can impeach any president who flagrantly disregards its will on the expenditure of public moneys.

In practice, of course, no one expects any such bruising showdown. Two hundred years of pushing and shoving between presidents and Congresses has left the question of war policy paramount in suspension. That was true of arguments stretching from Washington's neutrality proclamation in the war between France and Britain to the dispatch of U.S. armies to Korea and Vietnam.

At this time, no one has found a logical solution to the war powers dispute, because none is to be found. The struggle is inherent, and the issues are not subject to legislative settlement—whether by unilateral presidential claim or by unilateral congressional resolution. These, like all the great issues, are issues of political compromise. And the judgments of presidents (or the skepticism of Congresses) usually cannot be tested until long after the judgments must be made.

Congress no doubt finds it frustrating that presidents always have the upper hand, which will remain the case both because they can act expeditiously and because the movement of troops or ships is inherently an executive function.

In its nature, the Gulf question is for those reasons and others a presidential judgment call. Congress's best option, unless it wants to wheel out the really big guns, is to grumble and grumble. A familiar function, if not so constitutional as it might wish.

Washington Post Writers Group.

Human Rights Should Be Routine, Not Newsworthy

By Anthony Lewis

BOSTON — The Soviet government has acted in recent weeks to resolve some longstanding emigration cases. Early this month, for example, it gave an exit visa to Ida Nudel, a leading campaigner for Soviet Jews. Last week officials told Vladimir Slepak, another prominent refusenik, that he and his wife could move to Israel 17 years after they first applied.

Such actions evidently are designed to improve the atmosphere in U.S.-Soviet relations before Mikhail Gorbachev makes his expected trip to the United States for a summit meeting. But the effect will be limited.

Every time one well-known person is allowed to leave the Soviet Union, we in the West remember others who have not been. Thus Mr. Slepak's good news was coupled with reminders that such admired figures as Alexander Lerner and Valeri Solfer are still forbidden to emigrate many years after they began seeking visas.

Soviet officials have complained to Americans about that reaction. When they take some positive step, they say, instead of being praised they are criticized for not having done something else. That provides little motivation for resolving any cases, they argue.

I am crucial to believe that Soviet view, I think—crucial because it is so mistaken. It misunderstands fundamental Western attitudes on human rights. And the misunderstanding is as harmful to legitimate Soviet interests as it is to the victims of injustice.

The Soviet view is based on the premise that the resolution of individual human rights cases is a valuable gesture—a favor—to Western opinion. Soviet leaders traditionally save those gestures to be used as bargaining chips. When a summit meeting approaches, the chips are played in order to brighten the mood for substantive negotiation.

But we in the West do not regard things such as letting citizens emigrate or practice their religion or speak their minds as governmental favors. We think of them as rights—rights that have a legal basis in Soviet undertakings at Helsinki.

Americans and others in the West do not like the idea of human lives being used as bargaining chips. So when restrictions on some Soviet citizens are relaxed at a politically opportune moment, Western gratification for the individual inevitably will be mixed with resentment at the tactic.

The sense that lives are being played with is deepened by the hapazard, seemingly senseless cruelty of the Soviet bureaucracy in these

matters. Or is it just bureaucracy?

Benjamin Charny, a mathematician, presents one of several especially heartrending Soviet emigration cases involving people who have cancer. They want to leave to get treatment or to be with their families. Mr. Charny wishes to be with his brother, Leon, who is at the Massachusetts Institute of Technology.

Last month Benjamin Charny's daughter, Anna, was allowed to leave with her husband, their baby and her husband's parents and grandmother. In effect, the whole family is out—except Benjamin Charny.

Or consider the question of divided Soviet-American couples: spouses and fiancés kept apart by Soviet barriers. About 20 couples are in that category. On Oct. 23, Elizabeth Condon, a high school teacher of Russian and French, will mark the eighth anniversary of the day she was supposed to marry Victor Novikov in Moscow. The marriage was stopped. And ever since, Mr. Novikov has been refused permission to emigrate and Miss Condon to visit the Soviet Union.

Last spring Miss Condon was encouraged to apply again for a visitor's

visa. She did. Two days before her planned flight to Moscow, she was told that her visa had been denied. More recently, Mr. Novikov was told he could still not leave because he learned secrets years ago. That reason, officials said, will expire in 1990.

When a citizen joins an American fiancé it should not be news.

The Big Soviet Question Is Still Open

By Stephen S. Rosenfeld

WASHINGTON — For many of us, the difficulty in grasping what Mikhail Gorbachev is up to is in fitting the notion of reform to our belief that Soviet society is organized by a Marxist-Leninist party precisely to contain reform. It is not simply that it is hard to understand why the single

The two American schools in Soviet studies have been going at it hot and heavy for the last few years.

Washington Review of Books, observes of the two main contending schools that recent events have increased the distance between them, "as each attempts to influence Western reactions to Gorbachev's reforms."

A "revisionist" school, including (to varying degrees) Richard Pipes, Adam Ulam and Zbigniew Brzezinski, sees the reforms as cosmetic and tactical, and warns the West not to lower its guard.

This school, Mr. Kelly suggests, leans on the premise of the late British scholar Leonard Schapiro "that Stalinism was the logical successor to Leninism, and that the dynamics of Soviet history since 1917 can be explained by one determining factor: the ruling party's commitment to total power."

Believing the Soviet system to be unique, this school tends to ascribe its sole paternity and all its evils to the Russian revolutionary tradition.

A "revisionist" school, including Stephen F. Cohen (who named the schools) and Jerry Finkle, takes the view that the reforms are the West to respond positively to this rare opening. This school finds that the party, rather than being a frozen monolith, now offers a genuine competition of factions and interest groups within the elite. The revisionists believe that the Soviet system,

like other systems, is a complex product of many historical strands.

So says Aileen Kelly, reviewing a posthumous collection of Mr. Schapiro's writings, "Russian Studies." She goes on to make a learned critique of the Schapiro contribution, and I go off on a little personal detour.

As a graduate student in Russian history in the 1950s, I read Schapiro and accepted him as a giant in the field. He and his like taught us everything we knew about the Communist Party—knew then, anyway. What he taught seemed completely consistent with what was going on—the Hungarian revolution, the admissions of Stalin's terror—in the real world. His influence in the realm beyond scholarship was immense.

Now, 30 years later, comes Aileen Kelly to tell us in a respectful but unmistakable way that what we learned was not the revealed truth but merely the "dominant orthodoxy in Soviet studies" of the day.

I forgive Aileen Kelly, who is young. I am even prepared to acknowledge that she has a point. New experiences and expectations can contribute to generational variations in writing and reading history. All of us know people who have failed to replenish intellectual capital.

In any event, the two schools in Soviet studies have been going at it hot and heavy for the last few years, and I want to believe that improved understanding will result.

It would be an awful thing, however, if one "dominant orthodoxy" were to be replaced by another. Already in historical circles, and in political and journalistic circles, there is a striking readiness to accept as accomplished fact schemes that are no more than a glint in Mikhail Gorbachev's eye.

The Bork controversy has sensitized all of us to the phenomenon of "result-oriented" jurisprudence. We do not need result-oriented scholarship.

The great argument about the Soviet Union has always been whether it is a state among states, with its own traditions and style but ultimately motivated by the same aims as other nations, or is one of a kind, bound by no rules other than its own. I think it best to regard the question as still open—open and urgent.

The Washington Post.

Democrats: Don't Bet on the Enigma

By David S. Broder

WASHINGTON — The signs of incipient candidacy seem obvious. Mario Cuomo, the Democratic governor of New York, makes his first trip to Moscow, then impresses the establishment lions at the Council on Foreign Relations with his analysis of U.S.-Soviet relations. Aides ask political reporters what kind of feedback they got on the address, and they inquire, oh so solicitously, how bad the damage from the "tapes incident" seems to be for Michael Dukakis, the Democratic governor of Massachusetts.

After declining scores of political invitations, Mr. Cuomo accepts bids from Democratic organizations in several states. He even profits, some boosters say, from the acquittal of Geraldine Ferraro's husband, John Zaccaro, on extortion charges. You can be a politically connected Italian-American in Queens and still be clean, Mr. Cuomo's friends trumpet.

So the stage is being set for a late entry into the 1988 Democratic presidential race by the magnificent orator who has fascinated his party since the keynote address of the 1984 convention, and who broke so many hearts when he said he wouldn't run in 1988. Right? Wrong.

I say that not because I know what the Albany Enigma has in mind. I definitely do not. Mr. Cuomo is too smart, too subtle, too good at word games for me to decipher. Interviewing him is a game he always wins. But I think it extremely unlikely that circumstances will provide the opening that the governor would need for a dramatic last-minute rescue mission. Not impossible, for nothing is impossible in the bizarre nominating system America now has, but extremely unlikely.

The plausible predicate for a Cuomo rescue mission would be a stalemate, in which no avowed candidate had gained a significant edge. The odds against that are heavy.

Why? Because the six candidates who are out there keep getting better. I saw three of them—Mr. Dukakis, Richard Gephardt and Albert Gore Jr.—this past week in New Hampshire. Every one has improved his stump speech markedly since I last heard him. The same is true in the tapes and television I have seen of Paul Simon and Bruce Babbitt. And Jesse Jackson was darn good on his feet to begin with.

One can make a reasonable guess at the script of the Democratic contest. What we don't know is who will play the leading role. My guess is that as the Democratic candidates continue to fine-tune their messages, in debates and in personal appearances, one will finally get his rhetorical radar locked on the target vote in the Democratic primaries and know that he has it right in his sights.

These are not slouches. You can see them moving in on the target. To assume that all six will miss completely defies probability. By the first of the year, when most members of that Democratic primary audience start paying attention for the first time, someone should have the right message ready for them.

If you want to know what will happen then, think of Gary Hart in the first three months of 1984. All through 1983, even this late in that year, he was floundering around, testing one theme after another, looking for the message that would work. When he found it, you could

feel the spark jump from candidate to constituency, and he took off as if he were jet-propelled.

The difference between 1984 and this year is that there is no Walter Mondale in the Democratic field to bring the high-flier back to earth.

Mr. Mondale could do it, barely, because he had accumulated vast resources of organizational and personal loyalty over the years. Except for Mr. Jackson, no one now running in the Democratic contest has that kind of large, loyal constituency. The others' fans are recently recruited and in the vast majority of cases, judging from those I have met, could shift to another candidate without much regret if it turned out that the other had the "winning message" for the Democrats.

Mr. Jackson does have a real constituency, with passionate commitment. But everything we know at this point suggests that the Jackson constituency is substantially less than a majority of the Democrats' primary electorate.

The likely scenario will see the other five testing their messages in Iowa and New Hampshire this winter and discovering who has the best fix on that electorate. Those who are off target at that point will have neither the resources of their own nor the attention of the media to keep them in the race for long.

My hunch is that someone will emerge pretty quickly as the alternative to Mr. Jackson, and we will see a series of 65-35, 60-40, 55-45 contests. The high man in those primaries will be the Democratic nominee.

I don't see when, where or how the opening for Mr. Cuomo appears. Which may prove how myopic these old eyes really are.

The Washington Post.

100, 75 AND 50 YEARS AGO

1887: The Death Penalty

LONDON — The cruel system of interposing long intervals between the conviction and punishment of criminals is troubling the public mind in America. The deterrent influence of punishment is obviously dependent to a great extent on the swiftness with which it overtakes the offender. American writers begin to describe the delay in the execution of sentences as a "reproach upon the administration of justice." As for capital punishment, it is easy to understand extreme caution in its infliction; but prolonged delay after it has been finally resolved upon can only have one advantage, that of strengthening the argument for the entire abolition of death sentences.

1912: The Din of War

SOFIA — Two Bulgarian battalions have captured Mustafa Pasha, the key to the Turkish positions at Adrianople. A Bulgarian army corps

marching on Adrianople has repulsed the enemy all along the line.

CONSTANTINOPLE — The advance of the Montenegrin army toward Scutari has been checked by Turkish troops. Ten thousand Albanians have joined the Turkish forces. ATHENS — Following the blockade of Preveza by the Ionian division of the Greek fleet, General Sarrailh, who is in command in Epirus, has crossed the frontier and is continuing his advance in the direction of Janina.

1937: Wall Street Scare

NEW YORK — Wall Street today [Oct. 19] staged a spectacular acrobatic feat by dipping to the lowest levels in two and a half years and then rallying to close in many cases well above yesterday's final prices.

WASHINGTON — Administration circles expressed the opinion that the break cannot be regarded as an emergency. They pointed out that business conditions as revealed by the Department of Commerce are good.

THE U.S. ATTACK IN THE GULF: Vowing revenge, Iran says America is now involved in a "full-fledged war."

Senate Paper STRIKE: U.S. Ships Destroy Iran Oil-Drilling Platform

War Powers
At Liberty
To Grumble

Washington Post Service

WASHINGTON—An Iraqi defeat, a realistic possibility in the Gulf, for Western interests in the Gulf, the Senate Foreign Relations Committee concluded in a report issued Sunday.

To end the conflict and thus at an Iraqi defeat, the United States should step up its efforts to impose a comprehensive arms and economic embargo on Iran, the report recommended.

An Iraqi defeat, which must be regarded as a realistic possibility, would immediately threaten the sparsely populated Arab "meatballs," it said. "An Iraqi defeat would be catastrophic for Western interests."

The report, prepared by three members of the Foreign Relations Committee, provides the latest assessment of Iraqi military prospects published to date by a congressional committee or the Reagan administration.

(Continued from Page 1)

confrontation with Iran, but we will be fully prepared to meet any escalation of military actions by Iran with stronger countermeasures."

There was no Iranian military reaction to the attack, he added.

Mr. Hoffman said the second platform was about 5 nautical miles (6 miles, or 10 kilometers) from the scene of the first one.

Shortly after four Navy destroyers bombarded the first target, he said, "it was noticed that boats were taking people off another platform."

"After this platform was abandoned, U.S. Navy men went aboard, looked around, destroyed some radar and communications equipment and then left."

Mr. Reagan said in his statement that the United States "has no desire for a military confrontation with Iran, but the government of Iran should be under no illusion about our determination and our ability to protect U.S. shipping and interests. (Text, Page 7.)"

The U.S. action, he said, "is a prudent yet restrained response to this unlawful use of force against the United States and to numerous violations of the rights of other nonbelligerents."

Mr. Reagan said later, as he was leaving the White House to visit his wife, Nancy, who is recovering from breast cancer surgery at Bethesda Naval Hospital in Maryland: "No, we're not going to have a war with Iran. They're not that stupid."

Asked if he had any message for the Iranian leader, Ayatollah Ruhollah Khomeini, he grinned and said: "If I really gave it to you, you wouldn't be able to print it."

The administration had previously denounced the Iranian Silk-worm missile attack, which was carried out Friday on the tanker Sea Isle City, as an act of aggression against Kuwait, since the tanker was in Kuwaiti territorial waters when it was hit.

The Sea Isle City is one of 11 tankers that Kuwait has registered to qualify them for protection by U.S. convoys. Kuwait has lent support to Iraq in its war with Iran.

A White House spokesman, Martin Fitzwater, said that Iranians on the main platform had been given a warning of 15 to 20 minutes before Monday's attack and that personnel had been seen evacuating the structure.

Mr. Fitzwater said the mission was a response not only to Friday's missile attack but also to "general provocation" from Iran in a series of recent incidents.

Last month, U.S. military forces attacked an Iranian vessel, the Iran Ajr, charging that it had been sowing mines in an anchorage used by U.S. ships off Bahrain.

On Oct. 8, three Iranian boats were knocked out in a clash with U.S. forces.

The White House consulted with congressional leaders before the attack but will not invoke a section of the 1973 War Powers Act that would give Congress a future veto.

over the Gulf operations, Mr. Fitzwater said.

He said the platform that was shelled had two towers that at one time had been connected. The towers both collapsed at the time of the attack, he said.

He also emphasized what he called the "restrained" nature of the action.

"The precision with which we tried to identify a target was proportionate to their attack by a Silk-worm missile," he said.

"Our purpose was to avoid casualties, not to cause them, but at the same time to make the important political and military point."

He said he would not comment on whether Kuwait had cooperated in the attack.

Three of the U.S. destroyers were sent from the Gulf of Oman north into the Gulf after Mr. Reagan decided late Saturday to launch the attack, according to Pentagon sources.

They gathered with a fourth destroyer and a frigate already in the Gulf and moved to within three miles of the Iranian platform.

Two F-14 fighter planes and an E-3C Hawkeye surveillance plane were dispatched for air cover from the carrier Ranger in the northern Arabian Sea.

Twenty minutes before the attack began, one of the naval vessels began issuing radio warnings in Persian and English over bridge-to-bridge, military air distress and international distress frequencies.

"This is the U.S. Navy," came the warning. "We will commence firing on your position at 1400 hours. You have 20 minutes to evacuate the platform."

Pentagon officials said two boatloads of Iranians were seen fleeing from the platform.

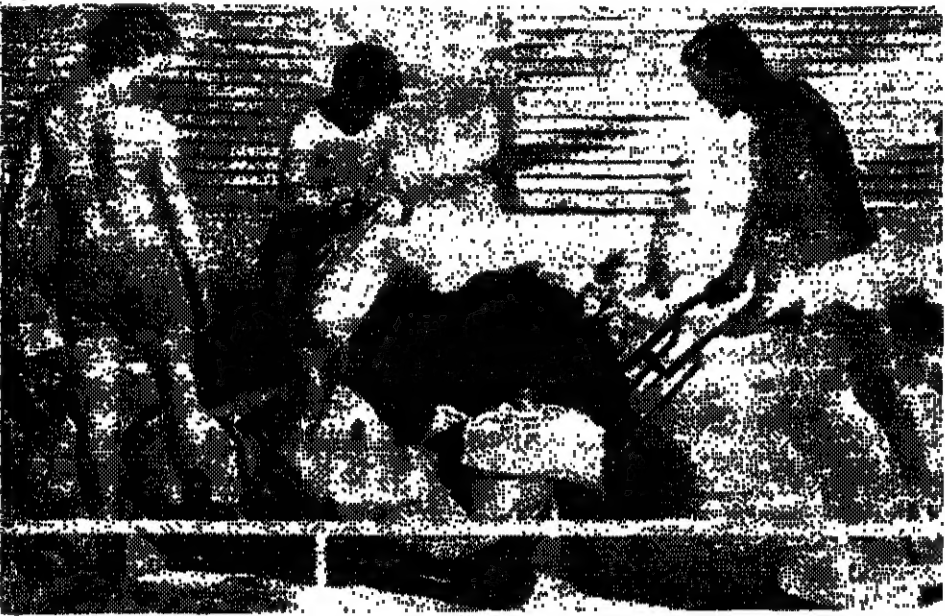
The military conducted search and rescue missions with helicopters for several hours after the attack. Pentagon officials estimated that 30 to 40 Iranians were on the platform before the attack.

IRNA said that U.S. Navy ships had inflicted "heavy losses" on the two towers and that "some of the civilian crew members were injured."

Report of Rescue Mission

Marine salvage executives in the Gulf region, speaking on condition of anonymity, said that Iranian tugboats had been seen rushing to the platform that was shelled. The Associated Press reported from Manama, Bahrain.

Radio monitors said they heard an Iranian voice saying, "U.S. warship, U.S. warship, let me evacuate the injured before you shoot again."



Seamen aboard a British-registered oil tanker in the Gulf, the Isomeria, moved sandbags the bridge of the ship on Monday to protect against Iranian attacks after the U.S. strike.

An Iranian oil complex in the Gulf that was attacked Monday by U.S. warships is shown in a photograph taken in August.

IRAN: Tehran Vows to Deliver a 'Crushing Blow' in Retaliation for Attack

(Continued from Page 1)

men, said Monday that Washington had made "a big mistake."

"We will definitely retaliate and will not leave this American move unanswered," Mr. Khamenei was quoted as saying by Tehran radio.

The Soviet press agency Tass condemned the U.S. naval raid as "an act of armed aggression."

Among U.S. allies, Britain was quick to applaud the raid.

Sir Geoffrey Howe, the foreign secretary, said the United States was "fully entitled" to take the action in self-defense.

He said he hoped Iran would learn the lesson that continued attacks on U.S. shipping in the Gulf "will only enhance the justification for firm actions in self-defense."

Other foreign ministers attending a European Community meeting in Luxembourg were either noncommittal or concerned about further escalation in the Gulf.

Leo Tindemans of Belgium said the action was "regrettable" in that it came amid United Nations efforts to restore peace in the Gulf.

Crown Prince Abdullah of Saudi Arabia, who is visiting Washington, said the United States was acting within its responsibility as a superpower in attacking the platform. But he declined to say whether or not he approved of the strike.

Other Arab countries did not immediately comment.

Tass drew parallels between the raid and secret sales of U.S. weapons to Iran. "The relationship between the latest armed adventure and the so-called Irangate is obvious," it said.

"The exposure of covert arms deliveries to Iran placed Washing-

ton in an awkward situation in the eyes of Arab countries," Tass said.

"In order to smooth the impression left by the scandal and draw on its side at least those Arabs who were traditionally viewed as partners or allies of the United States, the American administration has embarked on adventurism."

Tass said the United States used attacks on its shipping as a pretext for "an act of armed aggression," rather than working within the

United Nations system to ensure the safety of navigation in the Gulf.

"The Pentagon accompanied the transfer of a great number of warships to the Persian Gulf under the pretext of 'defending shipping' by stubborn attempts to lay hands on permanent military bases in the Gulf nations," Tass said.

In Bahrain, Western diplomats said the attack appeared to be carefully planned not to be too provocative.

"It's interesting that they chose something in international waters because it doesn't implicate any other nation," one diplomat said.

"This was better for U.S. relations with the Gulf Arab states, particularly Kuwait."

In Washington, the attack drew favorable responses in Congress.

Senator Richard G. Lugar, Republican of Indiana, called it "appropriate and proportional." He said, "It was well planned, coordinated with our allies and with good consultation with the Congress."

Claiborne Pell, Democrat of Rhode Island and chairman of the Senate Foreign Relations Committee, called it a "correct and justified response."

"The ayatollah asked for this, and he got it," said Bob Dole of Kansas, the Senate Republican leader. "We've told the Iranians time and again that we weren't going to sit back and take their repeated attacks and provocations."

Vice President George Bush said the U.S. action was "very appropriate," but added, "Nobody thinks that this will end it."

Mr. Bush said he hoped the Iranian leader, Ayatollah Ruhollah Khomeini, "irrational though he may be, will get the message."

The attack came as the Senate Foreign Relations Committee issued a staff report that said the United States "seriously risks being drawn into war in the Persian Gulf."

Senator Larry Pressler, Republican of South Dakota, said, "I believe we are involved in a limited war" and added, "we should be involved in keeping the high seas open. If we were to leave the Gulf, we would be abandoning our allies there."

(AP, UPI, Reuters)

Text of Reagan Statement

Reagan

WASHINGTON—Following is the full text of President Ronald Reagan's statement on the U.S. destruction of an Iranian oil platform in the Gulf on Monday:

"Acting pursuant to my authority as commander in chief, United States naval vessels at 7 A.M. EDT today struck an Iranian military platform in international waters in the central Persian Gulf. This platform has been used to assist in a number of Iranian attacks on nonbelligerent shipping. Iran's unprovoked attacks upon U.S. and other nonbelligerent shipping, and particularly deliberate laying of mines and firing of Silk-worm missiles which have hit U.S.-flag vessels, have come in spite of numerous messages from the government of the United States to the government of Iran warning of the consequences.

"The action against the Iranian military platform came after consultations with the congressional leadership and friendly governments. It is a prudent yet restrained response to this unlawful use of force against the United States and to numerous violations of the rights of other nonbelligerents. It is a lawful exercise of the right of self-defense enshrined in Article 51 of the United Nations Charter and is being so notified to the president of the United Nations Security Council.

"The United States has no desire for a military confrontation with Iran, but the government of Iran should be under no illusion about our determination and ability to protect our ships and our interests against unprovoked attacks. We have informed the government of Iran of our desire for an urgent end to tensions in the region and an end to the Iran-Iraq war through urgent implementation of Security Council Resolution 598."

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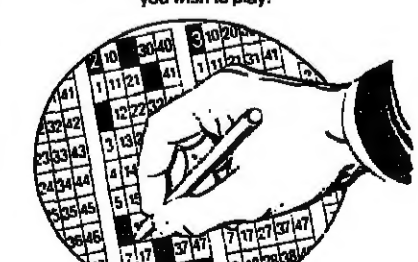
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UN Investigates Charge That Military Data Was Passed On to Tehran

By Warren Getler
International Herald Tribune

LONDON — UN officials are investigating allegations by the president of a company specializing in analysis of satellite data who says he gave valuable military intelligence to Iran this month under the impression that he was giving it to the United Nations.

Peter Fend, the founder of Ocean Earth Construction and Development Corp., acknowledged that he was "naive." But he said in interviews that he approached the United Nations in New York out of a spirit of idealism and because his company was looking for "constructive" business.

Mr. Fend said his company, which is based in New York, believed that its satellite data could be used by the United Nations in monitoring a cease-fire in the Gulf War.

Instead, he said, a senior UN official from Pakistan, Iqbal Riza, organized a meeting at UN headquarters with two officials of the Iranian Foreign Ministry. They were identified as Mojtaba Mirmehdi, deputy minister for legal affairs, and Mohammad Mahallati, director general for international affairs.

Mr. Fend acknowledged that he knew he would be meeting with Iranian officials, but said he assumed the meeting would be held under the auspices of the United Nations and monitored by its officials.

Instead, Mr. Fend said, the only UN representative present was a videotape technician.

A UN spokesman, Joe Sills, said the organization had begun an investigation of Mr. Fend's allegations.

"The matter regarding the relationship between the UN and Ocean Earth is being looked into by senior officials," he said.

Mr. Riza, a director of the Office of the Undersecretaries-General for Special Political Affairs, confirmed that he had met Ocean Earth in touch with the Iranians.

"I did arrange for the meeting in the UN," he said in a telephone interview. "The UN is a public place."

Mr. Riza said the link between

Ocean Earth and Iran, as far as he was concerned, was merely commercial. "It is between them and the Iranians," he said.

Mr. Sills said Ocean Earth contacted the United Nations a couple of years ago about the possibility of using satellite photography for monitoring a cease-fire.

"We looked at it, but did not feel it would be of use," he said. "This year, Ocean Earth came back to us with some updated material, and they also requested that they be placed in touch with the Iranians."

"We did so and arranged for them to show a tape on Friday, Oct. 9, at the UN using UN screening facilities," he said.

"Officials from the Iranian UN mission had asked us to set up the screening," Mr. Sills said. "If any member of the UN asks us to do this, we normally would comply, it would be routine. There was never supposed to be a member of the Undersecretaries-General office in attendance. What happens between Iran and this company is totally their concern."

Mr. Fend said that the Iranian officials asked Ocean Earth to deliver a 30-minute videotape of images from the Shatt-al-Arab waterway, which lies on the front with Iraq. He said the Iranians agreed they wanted the images for military purposes.

"We told the Iranians that we were not here to do business with the UN," Mr. Fend said. "Nothing is going to be delivered to anybody except through the UN, and that means Iraq and all other UN members would have access to the material."

Nevertheless, Mr. Fend asserts that valuable information was passed to the Iranians, including details of recent Iraqi fortifications.

He said "it could be very useful" for missile targeting and other military purposes. The meeting "ended up being an intelligence transfer to Iran — courtesy of the UN."

Images shown during the meeting, Mr. Fend said, included video recordings of photographic displays obtained from the U.S. civilian satellite, Landsat, and from Spot Image SA, the French civilian satellite agency.

He said that the Ocean Earth analysis of the data from the Gulf War zone reveals, among other things, construction of an Iraqi canal that bypasses Fish Lake, a strategic barrier along the southern Iraq-Iran border, where most of the ground fighting is concentrated.

Ocean Earth has retrieved land images, including those of war zones and environmental hot spots, such as Chernobyl in the Soviet Union, from civilian satellites since the early 1980s. It has sold the data and analyses to news media and research institutes, including the British Broadcasting Corp. and CBS Television. Governments have not been among its customers, Mr. Fend said.

Mr. Fend also accused Mr. Riza of passing on to the Iranians an earlier videotape of satellite images from the war zone that his company had made for demonstration purposes. He is demanding that the United Nations pay \$30,000 for the tape.



Mikhail S. Gorbachev, left, spoke with Yegor K. Ligachev, widely seen as the Kremlin's No. 2 man, on Monday at the opening session of the Supreme Soviet, the nominal parliament. Nikolai V. Talyzin, chairman of the state planning committee, said at the session that the Soviet Union was behind schedule in light industry and machine building.

Soviet Economy Lags Behind Goals Two Months Before Major Reforms

By Celestine Bohlen
Washington Post Service

MOSCOW — Two months before the introduction of major economic reforms in the Soviet economy, key industrial sectors are lagging behind 1987 targets, Soviet planners said Monday.

Despite the slowdown in industrial growth, the 1988 budget presented to the Supreme Soviet called for even higher goals, which some Western analysts described as unrealistic demands that could affect the reforms in their early phase.

"It seems they have given into the temptation of setting ever higher goals," said a Western diplomat. "If they would give themselves a breather, I would be more sanguine about the success of perestroika."

Perestroika, or reconstruction, is the Russian word used to describe Mikhail S. Gorbachev's program of reforms.

According to the plan announced in the Kremlin on Monday, the targeted increase in industrial output for next year is 4.5 percent, compared to the still-unrealized figure of 4.4 percent for

1987. Economic statistics released over the weekend showed that industrial output grew only 3.6 percent over the first nine months of 1987, compared to 5.1 percent during the same period last year.

Some areas of the economy continued to post strong performances — in particular, energy and agriculture — but machine-building and light industry have persistently failed to meet targets.

These two areas, considered key to the economic drive launched by Mr. Gorbachev, were criticized Monday in a speech by the top Soviet planner, Nikolai V. Talyzin, to the Supreme Soviet, the nominal Soviet parliament.

"Certain difficulties have arisen this year in the machine-building industry," said Mr. Talyzin, who heads Gosplan, the state planning committee. "The economy is not receiving a considerable amount of the equipment it requires."

He noted that construction time was still twice what it should be and that many enterprises continued to solicit money from Moscow to keep afloat.

These persistent problems are

likely to continue to dog Soviet economic performance next year when 60 percent of Soviet industry switches away from a top-heavy system of centralized planning to the more decentralized self-financing that gives local managers greater autonomy.

Finance Minister Boris I. Gostev said the 1988 budget was based on "a fundamentally new financial policy" that included redistributing "more than 100 billion rubles" (\$156 billion) back to the enterprises. He did not say how the money would be used.

Figures released this week showed that the new quasi-private cooperative sector is beginning to take off, with more than 8,000 cooperative enterprises, employing more than 80,000 people, at work as of Oct. 1. The growth of this sector is considered another key part of Mr. Gorbachev's program.

Presenting the 1988 budget Monday, Mr. Gostev for the first time distinguished the publicly announced military budget — 20.2 billion rubles, or 4.6 percent of the total budget — as limited to "upkeep of personnel, payment of pensions, military construction and other expenditures."

Mr. Gostev did not mention procurement of research and development, which Western military experts have considered for years to be the bulk of Soviet defense spending. His omission was seen as the first step toward a more frank indication of the real cost of Soviet military spending, estimated by some Western experts at 13 percent of the budget.

Mr. Gostev also revealed that cutbacks in alcohol sales had cost the state treasury 12 billion rubles, more than half of the amount of money in alcohol profits realized by the state during the 1970s.

102 Killed In Rail Crash Near Jakarta

The Associated Press

JAKARTA — Two crowded trains collided head-on Tuesday south of Jakarta, killing 102 people and injuring about 300, the authorities said.

Passengers who saw the trains headed for the collision jumped from the roofs and sides of the trains moments before the crash, witnesses said.

"There was no time to warn the others," a passenger said. "We just jumped for our lives."

Officials were unable to explain how the two trains ended up in a collision course on the same track. More than 300 soldiers and policemen were sent to the site, where rescue efforts continued into the night.

Officials said at least 102 people died in the collision and that about 300 injured were sent to seven hospitals in Jakarta.

The official said the collision took place at about 7:30 A.M. in the district of Bintaro Jaya, about nine miles (15 kilometers) south of the capital.

One train was carrying 600 passengers and the other 300, officials said.

Rescue workers were using saws and hammers to search through the tangled wreckage for the dead and injured. Scores of ambulances and three helicopters carried victims to hospitals.

U.K. Jet Aborts Take-Off

Reuters

LONDON — A British Airways Boeing 737 bound for Stuttgart was forced to abort its take-off from Heathrow Airport on Sunday when a light plane crossed its path on the runway.

Sweden's Justice Minister Resigns Over Escape of Spy Left Unguarded

The Associated Press

STOCKHOLM — The Swedish justice minister resigned on Monday, accepting some of the responsibility for the escape of a convicted spy who was left unguarded during a conjugal leave.

The justice minister, Sten Wickbom, a former judge who held the cabinet post since 1983, said he was stepping down because he had not apprised himself of vital information that the spy, Stig Bergling, could escape.

Mr. Wickbom said his department had known in September that Mr. Bergling would be given a conjugal leave with minimum security. He said he blamed himself for not finding out about the prison authorities' plans, although he refused to say whether he would have intervened.

Prime Minister Ingvar Carlsson, who announced the resignation, said the controversy over the escape was limiting the minister's ability to perform his job.

Mr. Carlsson later announced that the new justice minister would be Anna Greta Leijon, now the labor minister. He said Ingela Thelen would replace Miss Leijon.

The Wickbom resignation appeared intended to defuse criticism of the government's conduct in security affairs, including its investigation into the assassination of Prime Minister Olof Palme in 1986.

Parliament scheduled a special session for Tuesday. The opposi-



Sten Wickbom

tion leader, Carl Bildt of the Moderate Party, said he would call for a government shake-up and changes in the justice department.

Mr. Wickbom, 56, was the second justice minister to resign since the Social Democrats returned to the government in 1982. His predecessor, Ove Rainer, quit after being accused of taking advantage of tax loopholes.

Mr. Bergling, 50, was serving a life sentence for selling security secrets to the Soviet Union in the 1970s. His spying was so extensive that Sweden was forced to revamp

much of its defense system after he was caught.

On the night he escaped, Oct. 5, Mr. Bergling was allowed to spend the night with his wife while the guard slept at a nearby hotel. The practice is common except for dangerous criminals, who are also granted prison leave but under tighter security.

Mr. Wickbom said his department's information about Mr. Bergling "was of the character that they led one to doubt that the surveillance on Bergling would be sufficient."

"This I understood only last Friday," he said.

"I interpret my responsibility as chief of the ministry to mean that I cannot be ignorant of information of such a serious character," Mr. Wickbom said.

In March, Mr. Bergling was allowed his first prison leave since his conviction eight years ago. He was granted further vacations in May, June and July. Mr. Wickbom said. By July, the guard against Mr. Bergling was reduced to virtually nothing.

Mr. Wickbom said he had taken some corrective measures to tighten government supervision. But Mr. Carlsson said the scandal was limiting Mr. Wickbom's ability to take further action "and to restate the public's trust in the authorities."

"It is extraordinarily difficult to be minister of justice in a country where the premier is killed," Mr. Carlsson said.

Kirkpatrick Sets Time to Reveal Plans

By Wallace Turner
New York Times Service

SEATTLE — Jeane J. Kirkpatrick, the former chief U.S. delegate to the United Nations, said here that she would decide whether to run for president before the first nationally televised debate among the Republican contenders on Oct. 28.

Mrs. Kirkpatrick, meeting with reporters before delivering a speech at the Western States Republican Leadership Conference, said, "I certainly have not intended to be a candidate." But she said she had agreed to examine the question after strong urging from friends.

Bob Naylor, chairman of the California Republican Party, introduced Mrs. Kirkpatrick to the conference with the suggestion that she would "make a great secretary of state" or "an excellent vice presidential running mate" and was "qualified to be the first woman president of the United States."

The audience of about 700 Republicans from 13 Western states stood and applauded as Mrs. Kirkpatrick came to the podium, but it was not clear whether they were reacting to Mr. Naylor's suggestions or were reflecting admiration for the speaker. All of the dozen or so political activists queried earlier about the possibility of a Kirkpatrick presidential candidacy spoke highly of her, but added that they had already committed themselves to other candidates.

"The Democrats are in a bind," Mrs. Kirkpatrick said. "They can't win unless things get worse, and things won't get worse unless they win."

She said found it "very disturbing" that Democrats in Congress "are more willing to trust the Soviet Union" on matters of national security than to trust President Ronald Reagan.

"Their tendency to blame America first is as strong as it has ever been," she said.

"Ronald Reagan asks only that the government here keep promises it made in 1979 before it came to power." She said the unkept promises were to hold free elections, to provide freedom of the press and free rights of assembly, and other individual liberties.

JAPAN: Takeshita to Lead Party

(Continued from Page 1)

the prime minister's office that they would cooperate with Mr. Takeshita.

An aide to Mr. Nakasone said that both men would be given senior positions in the Takeshita administration, either the deputy premiership or the position of party secretary-general.

Mr. Takeshita will be formally elected prime minister by parliament, probably on Nov. 6, party sources said.

Mr. Nakasone, 69, is due to retire after five years in the post. Political analysts say that one of Mr. Nakasone's main concerns in the political give-and-take of recent days has been to try to retain as much influence as possible over the next administration.

Mr. Takeshita, the eldest son of a sake (rice wine) brewer from northwest Japan, served in the Japanese Army during World War II as an instructor.

He was appointed secretary-general of the Liberal Democratic Party following the party's stunning victory in the general elections of July 1986.

He served as finance minister between 1982 and 1986, but many political analysts say he lacks international experience.

Observers say that he is an ultra-cautious politician, that he relies on quiet reasoning rather than argument.

CIA Men In From Cold, But Without a Pension

By Clyde H. Farnsworth
New York Times Service

WASHINGTON — They dropped agents and propaganda in Communist China in night missions from Taiwan, ferried food and supplies through Vietnam's anti-aircraft fire to the French at Dien Bien Phu in 1954, delivered weapons to anti-Communists in Burma and Laos.

Ostensibly, their employers were private commercial companies with names like Civil Air Transport Co., Air America, Air Asia Co., Intermountain Aviation, Southern Air Transport. Actually, they were wholly owned subsidiaries of the Central Intelligence Agency.

At their peak in the mid-1960s, the CIA companies together made up an airline almost the size of Trans World Airlines, operating about 200 airplanes and employing as many as 20,000 people. Now some of those employees are seeking a token of government recognition. They have applied for credit toward government pensions for their years as the covert troops of the Cold War.

But the government, refusing to acknowledge activities of the intelligence agencies in private business, has turned the employees down and has blocked their efforts to seek redress either through the civil service or the courts.

Although many of the CIA companies have long been closed, the requests for pension credits trouble the agency because they could lead to disclosures of activities that it has never officially admitted and that are undoubtedly continuing today in other forms.

One of the early warriors, Roy F. Watts, served 15 years with three CIA companies and made 33 air drops flying C-119s over Dien Bien Phu in the spring of 1954. He has just petitioned for a Supreme Court review of a case for pension credits that he filed 17 years ago.

Mr. Watts, now a civilian employee of the navy who has 23 years of recognized government service, would take home \$4,000 a month if he retired now with credits from the covert years, as against \$2,500 that he otherwise would draw.

He was one of the pilots who, according to William M. Leary, a professor of history at the University of Georgia, "flew without protection, and benefits, of a uniform."

Mr. Leary, who is now retired, said in a telephone interview from his home in Escondido, California, "I figured all the time that I was part of the government. There was no difference between what I was doing and others who were working for the agency. But they got the government benefits, and I did not. It's not fair."

Other American airmen, felled in their own efforts to obtain the pension credits, are closely following the Watts case. "I was a believer," said David H. Hickler, a pilot and crew chief who became assistant vice president of Air America in Laos. After leaving Air America in 1975, he sold Hughes helicopters.

"I busted my gut for 25 years," Mr. Hickler, who is now retired, said in a telephone interview from his home in Escondido, California, "I figured all the time that I was part of the government. There was no difference between what I was doing and others who were working for the agency. But they got the government benefits, and I did not. It's not fair."

Secret soldiers of the Cold War, they performed their demanding duties with professional excellence, sometimes at the cost of their lives.

Mr. Watts worked for Civil Air Transport, Air Asia and Intermountain, all identified as CIA companies by a former agency director, William E. Colby, in hearings conducted by Senator Frank Church's Senate Select Committee on Intelligence in the mid-1970s.

In addition to making low-level cargo drops at Dien Bien Phu, Mr. Watts flew into China at night without navigational aids or weather information. He often landed by bonfire and flashlight, under fire, to pick up personnel.

"There were some hairy moments," said Mr. Watts, 63, who works in Crystal City, Virginia.

What angers Mr. Watts and his fellows is that when the CIA companies were dismantled in 1975, some foreign employees fared better than the Americans.

One of Air America's biggest bases was in Taiwan. Records produced under the Freedom of Information Act showed that the air force paid \$4.5 million to the Taiwan government to cover retirement and severance benefits for nearly 1,000 Taiwanese employees of Air America.

President Chiang Ching-kuo of Taiwan has refused to let assets owned by the American government be removed or transferred to new owners until a settlement was reached with the local employees, some of whom had worked for the CIA company for 25 years.

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Kasparov Leads In Adjourned 4th Chess Game

SEVILLE, Spain (Reuters)

The fourth game in the world championship chess match was adjourned Monday with the champion, Garry Kasparov, having excellent chances to win the game.

Mr. Kasparov, 24, sealed his 41st move in the adjournment envelope after five hours of play Monday with two pawns more than the challenger, Anatoli Karpov.

Mr. Karpov leads in the match by two points to one. The first player to reach 12 and a half points wins.

The majority of grandmasters attending the match said that Mr. Kasparov's advantage should bring him a victory and equality in the match, although some said Mr. Karpov's active pieces gave him a chance to hold a draw.

When Mr. Nakasone took office in November 1982, Mr. Takeshita was again appointed finance minister and remained in the post until becoming secretary general of the Liberal Democratic Party.

U.S. Aide to Visit East Berlin
BERLIN — Deputy Secretary of State John C. Whitehead will travel to East Berlin next month, becoming the senior U.S. official to visit East Germany.

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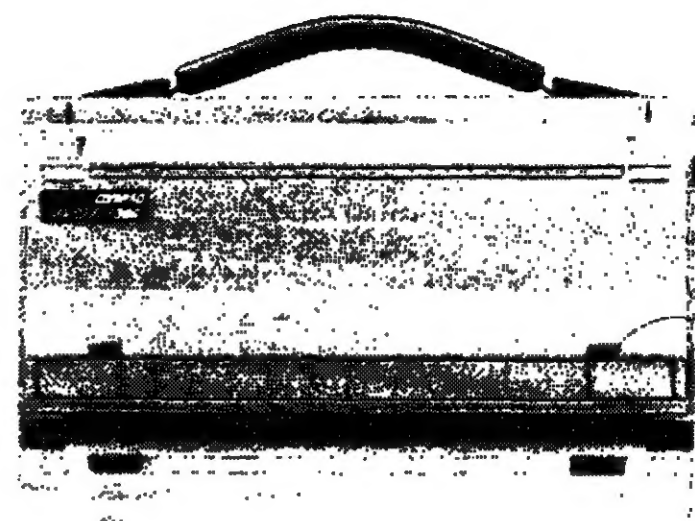
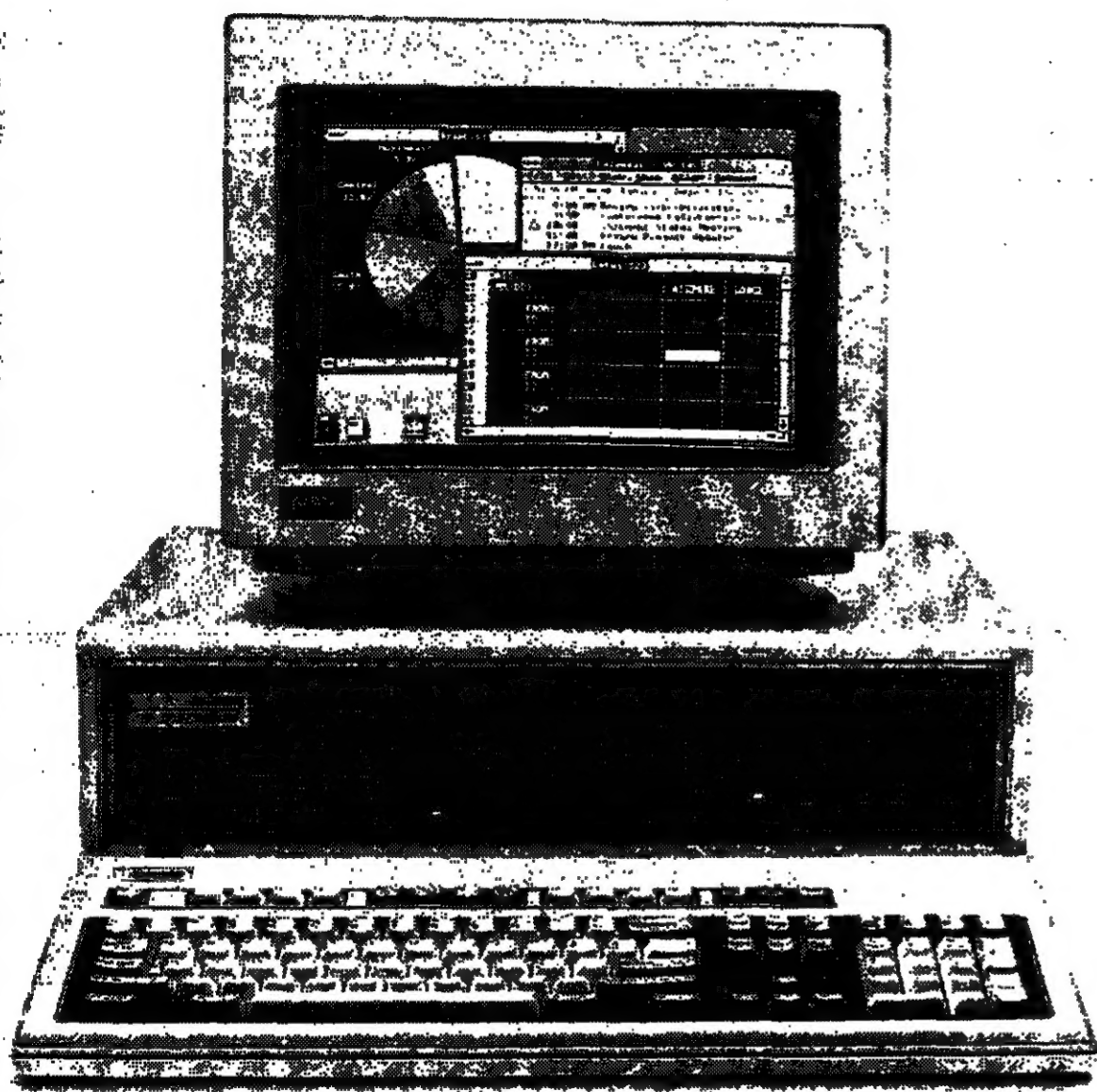
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Lagerfeld Puts Chanel in a Playpen

By Bernadine Morris

New York Times Service

PARIS—If Karl Lagerfeld persists in rejuvenating the House of Chanel at its current rate, the clothes will soon be perfectly suited to the playpen set. Right now, they are fine for young teen-agers, the group that is called "juniors" by United States retailers. The T-shirts read Chanel instead of Prince or Madonna, but the skirts are short enough, the child-size chain-

PARIS FASHION

hand bags small enough and the sneakers, mary janes, anklets and knee socks familiar enough to appeal to the young set.

The classic Chanel jacket has been almost completely transformed into a short fitted or swingy style in baby-colored plaids, such as pink, yellow, or blue with cream. Equipped with tightly wrapped or flounced short skirts, the Chanel suit now looks as if it were born yesterday instead of 50 years ago. Gone are the braid edges, along with the just-below-the-knee hemlines. The springy new versions may pose some problems for women who have found classic Chanel a security-blanket fashion, proper for all occasions.

For them, Lagerfeld does indeed produce some longer jackets. There's one in beige linen for example, with a shapely facade decorated with a double row of gold buttons, another Chanel trademark. It was, however, shown with matching trousers, not exactly the all-purpose fashion choice. Other long jackets almost totally concealed the skirts that accompanied them.

In addition to skirts, there were also knee pants or shorts, addition-



The long, the short and the tall, at Kenzo (left) and Chanel (center and right).

al reinforcements for the swinging Chanel image.

Some of the more interesting additions to the Chanel repertoire involved black lace. A short black lace skirt, for instance, accompanied a black leather jacket. Lace pants were worn with black T-shirts. A white satin sleeveless tunic was finished off with a black lace miniskirt. Inés de la Fressange, the model who represents the Chanel image, wore it with long black leather gloves.

Big bouffant skirts, draped like Viennese lampshades, bouncy taffeta baby dresses and bold flower prints were among the myriad fashion ideas that are destined to change the stately Chanel image once and for all.

Hubert de Givenchy did not set out to change the world of fashion. His clothes exemplify a lot of old-fashioned virtues. They're wearable and attractively proportioned and the colors are pleasing. A perfect linen suit has a green jacket with blue lapels repeating the blue of the skirt. Its shoulders are squared off, its waist indented and its hem a decent level above the knees. It

would exemplify good taste anywhere in the world. There are many other styles a woman could choose with serenity, including tapered chemise dresses and pulled-sleeve shirtwaist styles for day as well as leather jackets and skirts in glowing colors. For lighter moments, Givenchy shows ruffled cotton play skirts, bare midriffs and dresses with many tiers of ruffles, lifted in front to show the legs. Givenchy's clothes are always comforting.

Two Japanese designers have been seamlessly incorporated into the French fashion scene. Once the wild man who injected energy and excitement into the ready to wear showings, Kenzo now makes simple, well-bred clothes with a chic Parisian look. Black dresses with white collars, good-looking knitted clothes, pretty organza blouses with tailored pants—these are his specialties. Of course he can't resist a foray into the kind of peasant clothes with which he has long been associated. So there are flowered pants with striped shirts and big swingy skirts in poppy prints, all in a kaleidoscope of vivid colors.

Hanae Mori's clothes are for the sophisticate. Sequined shifts, tailored leather suits and black or white crepe dresses with nude insets are some of the things she does best. Her signature butterfly prints are everywhere.

Neither designer is a pace-setter, but both show attractive clothes.

DOONESBURY



"The Magic Flute," Théâtre des Champs-Élysées, Oct. 21, 23, 25, "Il Trillio," Opéra-Comique, Oct. 21, 29.

Playful 'Magic Flute' Reopens Historic Theater

By David Stevens

International Herald Tribune

PARIS—The new production of "The Magic Flute" besides being a continuation of the Mozart opera cycle of Daniel Barenboim and the Orchestre de Paris with Jean-Pierre Ponnelle as director-designer, celebrates the real reopening of the Théâtre des Champs-Élysées as a theater (as opposed to a concert hall) after the extensive decorative and technical renovation of a building that is one of Paris's historic and architectural monuments.

The rehabilitation of the public areas of the building is a pure delight. The theater, the product of the enterprise of the impresario Gabriel Astruc and the financier Gabriel Thomas, and the architect Henry van de Velde and Auguste Perret (one of the pioneers of reinforced concrete), is a monument of Art Deco a decade or so before the fact, and the first 20th-century building in Paris to be classified as a historic monument. The relief sculptures and frescoes of Antoine Bourdelle, the ceiling of Maurice Denis, the Lalique lamps have been lovingly restored, as have the armchairs that make the orchestra level one of the most comfortable theater auditoriums anywhere.

It is also historic if only because it was the site of the uproarious first performance of the Stravinsky/Nijinsky "Sacre du Printemps" on May 29, 1913, less than two months after its inauguration on March 31 with a performance of Berlioz's "Benvenuto Cellini" under Felix Weingartner (a concert performance the same work reopened the theater on Sept. 23). It has never ceased to be one of the

city's major concert, opera and ballet houses.

The radical modernization and computerization of the stage machinery should eventually make the theater a contemporary work in, when it starts working, which is not yet. So this "Magic Flute" owed more to Ponnelle's ingenuity and ability to switch concept in midstream than to the exploiting of new technical marvels.

In any case, this was a playful "Magic Flute" that looked back more to its origins in Viennese popular theater than to the weightier symbolism, and the proliferation of Ponnelle's ideas for moving his characters around may have just been a way of thumbing his nose at recalcitrant technology.

The orchestra was at the edge of the stage—the strings in a shallow pit, the other instruments at stage level—and the action took place around it, above and behind, on a ramp between orchestra and audience, in the audience and even in the wings. A moon and a sun descended from the flies according to symbolic need, the Queen of the Night had a panoply of stars to accompany her, and the three portals of Nature, Wisdom and Reason were rearranged to suit the needs of the moment. The dragon chasing Tamino was long enough for its head to leave the stage by one route and re-enter by another while its tail was still on stage, and the children who provided its pedal extremities ended up joking with Papageno. A toy stage within the main stage provided a place for Papageno to put on her old bag's disguise in full view, and Papageno pulled a tree on stage for his "suicide," which the three boys foil

easily because they are already hiding in the foliage. And so forth.

But Ponnelle went further than sight gags, looking for character ambiguities. Tamino has a moment of faltering, when the rigors of moral testing exasperate him almost to adopting Papageno's lifestyle, and the two priests accompanying Tamino and Papageno have distinctly different personalities, one decidedly more easygoing.

Barenboim, from his podium in a central aisle dividing the orchestra in two, was sometimes drawn into the action, but mainly he led an grandly expansive account of the score—except at moments when the expansiveness threatened to become motionless. Those moments and the inclusion of substantially complete spoken dialogue, made for a long evening.

The generally fine cast was headed by David Rendall as a splendid Tamino, heroic without sacrificing the role's lyricism, and Joan Rodgers' radiant soprano made her a Pamina to match. Christian Boesch's Papageno was expert and authentically Viennese, although long experience in the part has provided a slight surplus of eggs. Philip Kang's solid bass had Sarastro's role, and Eva Lind did the Queen of the Night's coloratura exercises neatly. In the orchestra, Michel Debost played magically indeed for the sound of Tamino's flute.

At the Opéra-Comique, Jean-Louis Martinoty has added "Il Tabarro" and "Suor Angelica" to his existing production of "Gianni Schicchi" to give the company a complete Puccini triptych, and to give Leonie Mitchell a trio of varied roles in which to display her vibrant lyric soprano.

She and Jean-Philippe Lafont made a powerful Giorgetta and Michele and Hans Schavernoch evocatively converted the Salle Favart's stage into a barge deck for the opening Grand Guignol one-act. She did everything that pure vocalism and straightforward acting can do to overcome the mawkish sentimentalism of "Suor Angelica," and finally made the radiant best of her one moment, "O mio babbino caro," in a performance that otherwise belonged to Gabriel Bacquier's Schicchi. Marcello Panni conducted well-paced readings.

"The Magic Flute," Théâtre des Champs-Élysées, Oct. 21, 23, 25, "Il Trillio," Opéra-Comique, Oct. 21, 29.

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Telecommunications

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The divide between telecommunications haves and have-nots appears to be lessening.

Third World Slowly Forging 'Missing Link'

By Sir Donald Maitland

LONDON — The least remarkable conclusion reached by the Independent Commission for Worldwide Telecommunications Development was that there was no single remedy for the uneven distribution of telecommunications across the world. A range of actions at different levels would be needed. The objective set by the commission of bringing the whole of mankind within easy reach of a telephone by the early part of the 21st century would be achieved only if all those who carried responsibility in this field were to join in a sustained effort.

For this reason, in its report, "The Missing Link," the commission addressed its 29 recommendations variously to governments of industrialized and developing coun-

Commentary

The author was chairman of the Independent Commission for Worldwide Telecommunications Development from 1983 to 1985. Since 1986, he has been deputy chairman of the Independent Broadcasting Authority in Britain.

tries, to international agencies, telecommunications operators, equipment manufacturers and finance houses.

These recommendations had four broad aims: to ensure that investment in telecommunications was given higher priority, to improve existing networks in developing countries, to take account of foreign exchange problems, and to make the role of the International Telecommunication Union more effective.

The commission believed that the key to progress lay in persuading developing countries about the essential contribution telecommunications make to economic and social progress, to national cohesion and the quality of life, and of the hazards of neglecting this sector when drawing up their development plans.

Once this message was understood, higher priority would be given to investment in telecommunications; this, in turn, would open the way for the other actions recommended by the commission. The secretary-general of the ITU shared our view. When I presented the commission's report in January 1985 he had already decided that this message had to be brought home to those concerned at the highest political level. What

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Finishing Tower of Babel

Prosperity Lies In Establishing Global Network

By Amiel Kornel

PARIS — Ever since Babel, men have equated communications with power. Confronted by a sudden multiplicity of languages, goes the biblical tale, ancient builders deprived of their ability to share information were unable to complete their celestial tower. Motivated by more terrestrial concerns, modern nations and businesses, seeking to fortify the foundations of their future growth, today recognize more than ever the critical role played by communications in the quest for economic and financial prosperity.

As business users clamor for more advanced communications equipment and services, information-technology companies are being forced to leap over national and technological frontiers.

"Clearly, there are market forces pushing these companies to look into new areas," said Kim Myhre, chief communications consultant at market researchers International Data Corp., based in Framingham, Massachusetts.

The capacity of a country to visualize what an advanced telecommunications network can offer has become one of the keys to growth.

"There must be an economic consensus on telecommunications as a superior tool for business and society," said Jean-Pierre Coffinet, director of technology programs at management consultants Booz-Allen & Hamilton Inc. in Paris.

As that consensus grows, governments become eager to modernize telecommunications infrastructure and open competition in hitherto closed

markets, lest they be accused of blocking economic opportunity.

"There is a tremendous demand for services that are available globally," noted Midhat Gazale, president of AT&T France. "Countries that won't be able to cope with that reality might be bypassed."

Industrialized countries began investing heavily in expanding public networks in the mid-1970s after waking up to the link between telecommunications and economic prosperity. Voice telephone installations in many countries now have reached near-saturation levels, according to the Paris-based Organization for Economic Cooperation and Development.

By 1985, the 24 OECD member nations had installed 318 million telephone main lines, or 78 percent of the world total. That same year, those countries' investments in telecommunications networks totaled \$49 billion.

Developing countries are also hurrying to lay the electronic pipeline that will fuel their economic growth. Eager to catch up with the rest of the world, their public telecommunications networks are showing the fastest growth (up to 13 percent annually in some Asian countries), turning them into the main battleground of the largest equipment suppliers.

By 1990, annual worldwide expenditures for public networks will total \$125 billion, according to Arthur D. Little, consultants based in Cambridge, Massachusetts.

With their objectives of expansion largely attained, many governments have begun upgrading networks to handle the digital information generated

Continued on page II

HALL 4

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International Mandate

Restructured French Industry Moves Into a More Competitive Position

By Karen Lynch

PARIS — French government and industry leaders orchestrating the virtual overhaul of the French telecommunications industry have taken each step with their sights trained on the international market.

Only the world market can fuel such giants as the Alcatel N.V. telecommunications equipment manufacturer and the Direction Générale des Télécommunications (DGT), France's government-run telephone company.

And the much-heralded dismantling of European trade barriers in 1992 has sent French industrialists scrambling to strengthen operations for a new European market.

The international mandate is palpable. At the French-controlled Alcatel, for example, the official language is now English.

When Marcel Roulet took over as the DGT's director general earlier this year, he made business calls to London and the United States before ever meeting with key French customers.

And at France Cables et Radio, a DGT subsidiary, a dynamic team of engineering consultants makes regular raids on Britain for coveted private network contracts.

Taken alone, last January's merger of Alcatel with ITT Corp.'s telecommunications subsidiaries put the French among the world's top telecommunications equipment suppliers.

But the restructuring of the French telecommunications industry has not stopped there. In the services sector, the DGT is being streamlined, with 2,000 out of 165,000 jobs eliminated last year alone. The French minister of posts and telecommunications, Gérard Longuet, has floated a law that would overhaul the DGT's structure. And already within the telephone company, reorganizations are taking place to enable the company to better address large business customers.

The dismantling of European trade barriers in 1992 has sent French industrialists scrambling to strengthen operations for a new European market.

The DGT's telephone rates are being rebalanced, its rules of operations changed and its required contributions to the state Treasury challenged — all in preparation for the opening of competition in advanced telecommunications services.

"France is in a good competitive position," Mr. Longuet said last month.

The country's modern telephone network, which has a high percentage of lines that are digitalized to carry computerized information, is often cited by Mr. Longuet and other French officials as a key to this position. France is also a world leader in providing the so-called packet switching services among computers over its public Transpac network. Its Minitel has been a solid success while similar videotext networks in other countries have failed.

The DGT also announced last month that it had become the first to commercialize the Integrated Services Digital Network concept of future telecommunications. ISDN provides telephone calls, computerized information, documents, television and other services all over a single line leading to a multifunctional terminal.

By getting these services up and running before some of its foreign competitors, the DGT is not just preparing for eventual competition at home. It is increasingly looking to leverage its network-development experience

to market products and services on the world market.

The DGT has set up six offices abroad, plans to enter joint ventures in foreign countries to offer sophisticated communications services, has gotten a contract to set up a Minitel network in the United States, has launched its satellite whose signals cover Europe and part of North America and has participated in consortiums laying high-speed fiber optic cables around the world.

In the market for telecommunications equipment, Alcatel is the second largest supplier in the world, with business activities in 110 countries.

Under the decentralized management philosophy of Alcatel's chairman, Pierre Suard, the incorporation of ITT's subsidiaries into Alcatel has run a surprisingly smooth course this year.

Beyond that, the French this year gained access to new technology for switching equipment and the next generation of cellular radio systems in the maneuvering of the sale of Compagnie Générale des Constructions Téléphoniques.

The sale of CGCT to a joint venture of the French telecommunications and electronics concern Matra S.A. and Sweden's Telefonaktiebolaget Ericsson was clinched by a cellular technology transfer offer from the Swedes.

Now, Matra stands in good stead to address a cellular market that is expected to serve about three million customers in Europe by 1993.

Matra is considering further affiliations with German equipment manufacturers, as is the Jeumont-Schneider S.A. electrical and telecommunications equipment manufacturer.

And France's computer services and software houses have been merging and expanding internationally at a time when more advanced telecommunications services and private telecommunications networks are becoming more and more dependent on software.

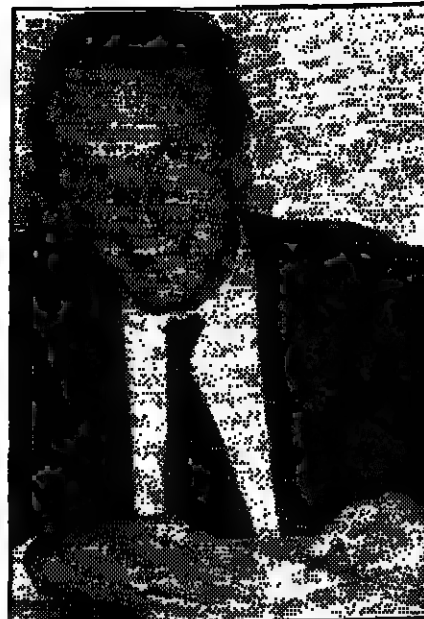
The French government has had a hand in nearly all of this restructuring. "Capitalism à la française is bastard and incestuous at the same time," said Jacques Darmon, author of "Le Grand Dérangement," an analysis of French telecommunications. "The nation's telecommunications industry was born of public initiatives. And at each stage of its development, the industry relies on the state."

It is this kind of intervention that has led critics to accuse the French of keeping their market closed while preparing for international competition.

For example, Mr. Longuet announced the opening of the market for value-added services in May 1986, but only last month came up with the rules under which such services can be offered. Now those rules will impose special surcharges and conditions on IBM and other large operators who might pose a threat to the French telephone company by launching public networks.

AND in the market for office telephone equipment, where the DGT claims to be open to competition, foreign suppliers would be hard pressed to agree. The DGT has been running Northern Telecom Ltd.'s advanced private telephone switch through a technical approvals process for more than two years, virtually handicapping the company's marketing activities in France.

But France's industrial politicking has also "helped to create an industry which is fairly



Gérard Longuet

harmoniously balanced," said Dimitri Ypsilanti, principal administrator of the division of information computer and communications policy at the Organization for Economic Cooperation and Development.

By building up a digital network and services, the French industry has developed a complete, integrated, proven line of telecommunications hardware, software and components, Mr. Ypsilanti said. They have developed needed experience in the services sector as well.

This is what the French are bringing to bear on the international market.

Though well positioned, France has continued to register some low marks on the world market. The company has a very small presence in the United States — the world's largest

telecommunications market. Alcatel, for example, has dropped out of the running for sales of big switches to the Bell Companies that dominate the U.S. market, although the company is planning to come back to this market with more advanced switching and networking equipment.

Nor have the DGT's attempts to parlay Minitel into a mass export item attained much success, Michel Noir, minister of international commerce, lamented recently. In the United States, the DGT's first public videotext network contract is with a virtually unknown company.

France saw its exports of telecommunications equipment, which grew at an annual rate of 22 percent between 1972 and 1984, drop 20 percent last year, according to the Audiovisual and Telecommunications Institute in Europe. But most countries experienced similar downturns as a result of world market conditions, Mr. Ypsilanti said.

"An investment swing is starting," Mr. Ypsilanti said, because more and more countries are digitalizing their networks. "But I don't think it's big enough for everyone to have a piece of the cake."

"If I had to say who would survive in Europe, I'd have to put the French in the first two to survive." Others could be West Germany's Siemens AG or Ericsson, he said.

For any country, survival in the switching business is more than just the manufacture of a piece of machinery. They have industrial policy importance and strategic technological importance," Mr. Ypsilanti said.

The development of telecommunications switching technology drives semiconductor, software and other industries important to a national industrial base, he said.

KAREN LYNCH is European correspondent for CommunicationsWeek, an American newspaper covering the telecommunications industry.

Manufactures

EC Key Market For Equipment

By Jack Stockdale

LONDON — The European Community has become the prime market target for the world's telecommunications equipment manufacturers.

With fairly slow growth in many traditional markets, particularly the United States, the 12 EC countries have collectively become the world's most lucrative market.

Spending on telecommunications equipment in the United States has leveled off at around \$24 billion a year with growth of between 2 percent and 4 percent forecast until 1990.

The EC members spent \$20.6 billion in 1986 and this is forecast to rise to \$28 billion in 1990 — an average growth of 8 percent a year.

Since the United States is expected to spend \$27 billion in 1990, the EC countries together will become the largest telecommunications equipment market in the world.

Manufacturers have been quick to see the opportunities with a large number of mergers, joint ventures, share participation plans and subsidiary formations over the last three years.

The latest of these was earlier this month when Canada's Northern Telecom bought ITT's 24 percent share in Britain's STC, bringing its stake to 27.8 percent.

These corporate moves have been designed to make far easier entry of products into the European Community and to gain advantage of the tariffs that will make pricing more competitive.

The other attraction to Europe is that the financial risk is extremely low compared with other major world developing markets such as China and India where manufacturers often have to make very long-term credit arrangements.

The two other major world markets, the Soviet Union and Japan, have not yet become lucrative to North American and West European manufacturers.

The Soviet Union is now the second largest telecommunications equipment market in the world after the United States, having replaced Japan in 1985.

The COCOM (Coordinating Committee for Multilateral Export Controls) technical exports agreement, which bans the sale of certain telecommunications products to the Soviet Union, is expected to be amended in September 1988, and this should improve the West's supply position to the Soviet Union.

The Soviet Union is expected to spend \$9.6 billion on telecommunications equipment in 1987. This is forecast to rise to \$13.4 billion in 1990.

In 1984, the latest year for which official trade figures are available, Moscow imported telecommunications equipment worth \$924 million, of which the West supplied only \$37 million.

Analysts forecast that, because of the huge telecommunications development program, the Soviet Union will have to import \$5 billion worth of equipment by 1990. If the COCOM ban is lifted, imports from the West could reach \$350 million.

The Soviet Union currently has 26.6 million telephones, which it hopes to expand to 33.6 million in 1990 and 48 million by 2000.

Large exchanges of between 100,000 and 150,000 lines will be

built in five major cities and several program calls for the installation of more than 2,000 exchanges of between 1,000 and 1,500 lines.

In 1986, Japan's spending on telecommunications equipment was just over \$7 billion and this is forecast to rise to \$8.5 billion in 1990.

The recent flotation of Nippon Telegraph & Telephone has not led to the opening of the market that was expected and, in fact, many analysts feel that it will be a long time before foreign countries make major inroads into the Japanese equipment market.

As a result, the world's manufacturing countries have all made efforts to get into the European market although in some areas — public switching, PABX systems

Members are expected to spend \$28 billion on equipment in 1990.

and telephone handsets — the EC is becoming very crowded.

The areas that provide the most opportunity will be data communications, mobile communications and value-added services.

The problems that manufacturers are facing in Europe are that many markets are still very restrictive in accepting anything but basic customer premises equipment and there is little likelihood that this will improve over the next five years despite the efforts of some governments to introduce limited deregulation of their PTTs.

At present, Britain is the only member of the EC with a competitive network — British Telecom and Mercury Communications.

The French government may allow a second network within the next five years.

A breakthrough for the EC in pressing pan-community technical standards is in digital cellular telephones where the control is likely to be based on the radio frequency spectrum allowed for its application by the international telecommunications unions. It has given it some real power.

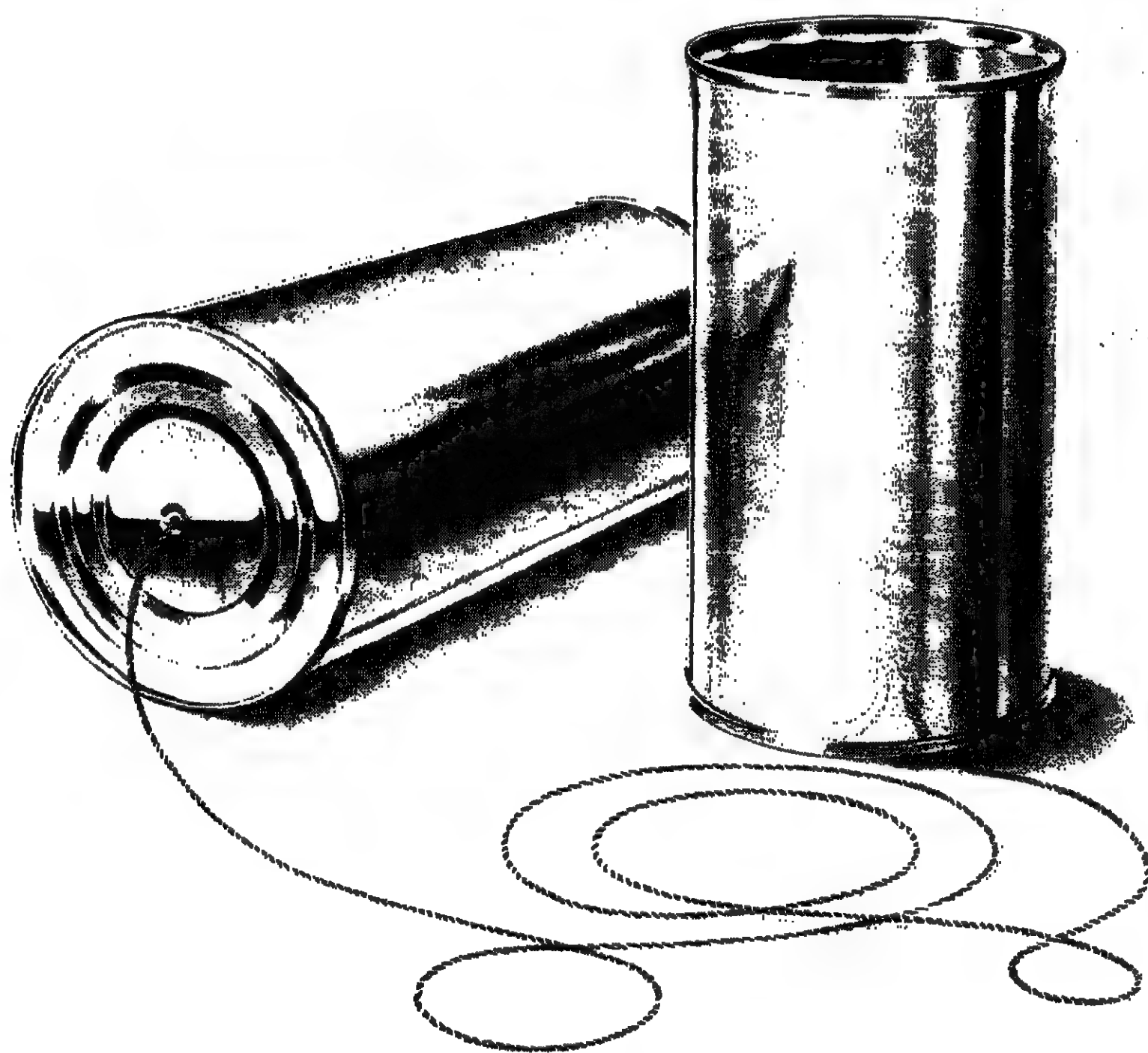
A large number of other telecommunications manufacturers and countries outside the EC is expected to follow.

Non-EC manufacturers have also begun to form alliances with EC counterparts to penetrate these markets.

The Japanese have tended to opt out of any major switching thrust in Europe to concentrate on facsimile, telephone handsets, mobile radio terminals, key-systems and small PABX systems.

The Japanese have tended to opt out of any major switching thrust in Europe to concentrate on facsimile, telephone handsets, mobile radio terminals, key-systems and small PABX systems.

JACK STOCKDALE is a senior analyst with the Telecommunications Industry Research Center in Britain.



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Just inside

Telefónica Forging Key Joint Ventures In Global Markets

By Tom Burns

MADRID — It is not surprising that everybody likes Telefónica on the floor of the Bolsa, Madrid's stock exchange. Spain's national telecommunications company has been a consistent market maker for close to five years as the flagship of the country's business renaissance.

Telefónica, which is 31 percent owned by the state and is widely listed on the world's major stock exchanges, is also a favorite among foreign investors, for 22 percent of its capital is held outside Spain. The company is perceived to be innovative and stable and is a recognized key player in the fast-expanding Spanish economy.

Under the leadership of Luis Solana, a former Socialist member of the Cortes, or parliament, who was appointed Telefónica's chairman by the incoming administration of Prime Minister Felipe González at the end of 1982, the company has forged breakthrough joint ventures with the giants of world telecommunications.

Deals with American Telephone & Telegraph to build a \$200 million semiconductor plant outside Madrid and with Fujitsu for the assembly in Spain of medium-sized office computers and electronic data-processing equipment in the early days of Mr. Solana's stewardship of the company were landmarks in Spain's business environment and showed the shape of things to come.

Currently, attention is centered on a major investment plan announced last year by Telefónica, and subsequently reassessed and expanded, which highlights the company's ambitions. The fundraising program, covering bonds and commercial paper issues, has most recently included a rights issue on the Madrid Bolsa aimed at raising 75 billion pesetas (\$615 million).

Over the next five years, Telefónica will be involved in 1.8 billion pesetas worth of capital spending as it overhauls and modernizes Spain's telecommunications. The original investment plan, drawn up last year, envisaged 1.3 billion pesetas and was to last through to 1990. In its reassessment of its requirements, Telefónica extended the plan by a year and topped its outlay by 500 million pesetas.

Two factors lie behind Telefónica's growth. One, quite clearly, is demand. The other has to do with new legislation that to a degree deregulates Spain's telecommunications and ends the company's 40-year-old monopoly of the sector.

The revised investment program was, in part, a response to a continuing demand for lines. Last year there was almost a 30 percent increase in the demand for lines, and Telefónica's strategists believed that this would taper off considerably this year. In the past few months, however, demand has continued to increase at a 20 percent rate.

In particular, demand and modernization focuses on the cities of Barcelona and Seville, which will both be in the public eye in 1992. That year Barcelona, Spain's second largest city with a population of over three million, will hold the Summer Olympic Games and Seville, which has a population of more than 700,000, will commemorate the 500th anniversary of Columbus's voyage to the New World by hosting a six-month-long world fair.

The telecommunications infrastructure in both cities will be transformed before these events. The introduction of digital systems in Barcelona and Seville had been planned for the mid-1990s but the installation has been urgently brought forward as have been plans for cable television and satellite hookups.

Broadly, the market in Spain for data transmission and integrated communications is expanding faster than Telefónica had anticipated. This reflects the growing confidence of the business community and the overall growth of the Spanish economy. One Telefónica telecommunications venture to satisfy this demand concerns a videotex service, named *telex*, which the company hopes will have half a million subscribers by 1992.

The new legislation, a package of measures that comes under the umbrella of the Ley de Ordenación de Telecomunicaciones and which is known by its acronym OT, drives wedges into Telefónica's monopoly but it reaffirms the company's status as the star of the sector in Spain.

Deregulation essentially covers modems and other equipment. This is in itself a potentially lucrative market. In the past months, there has been a 50 percent rise in the purchase of telephones, for example.

The future of terminals and other products will be the responsibility of the ministry and not of Telefónica as in the past. Telefónica, under the terms of the OT, maintains its role as Spain's exclusive carrier of telecommunications.

Determined to remain the indisputable lead actor on the Spanish

telecommunications stage, Telefónica unveiled plans earlier this year to head a series of risk capital ventures to develop advanced technology. Two separate ventures have fueled considerable interest. One is an agreement in the United States with the California-based Electronic Data Systems (EDS) that will further develop and market Telefónica's packet switching system called TARSIS. It has already been successfully sold in Canada and in Argentina. The new venture is provisionally named Telecommunications Data Services.

The second initiative is a recently announced plan to build a telephone manufacturing plant, estimated to cost \$3 million, in the Basque region, in which Telefónica will have a 49 percent stake, aims to build sets that have been developed by the Spanish company and will be adapted to Soviet requirements.

Telefónica's financial requirements for its overall outlay in the coming years have, in the meantime, a secure base.

TOM BURNS is the editor of *Spanish Trends*, a Madrid-based monthly business report, and a contributor to *Newsweek* and *The Washington Post*.



London posters advertise sale of British Telecom which was heavily subscribed to after it was privatized.

For Privatized BT, a Public Outcry

By Brenda Maddox

LONDON — The British public, basking in its new ownership of half the shares in the country's national telecommunications system, may ask itself whether the pleasures of ownership outweigh the bad service.

British Telecom was privatized three years ago, that is, nearly 51 percent of the shares in the government-owned corporation were sold to private investors — at an attractively low price.

The public, including many who had never owned stock in a company before, snapped them up. The shares now sell at nearly three times their original value, a guarantee that a large outcry would greet any future socialist attempt at renationalization.

But BT's service has deteriorated and privatization is, rightly or wrongly, seen to be the reason.

Safe in the private sector, BT has little incentive, the public feels, to meet complaints of overcharging, broken telephone booths, slow repairs and late installations. Rate rises, too, have hit the private user hardest: Last year, there was a hefty 37 percent rise in the price of making a call in the morning peak hours, from 9 A.M. to 1 P.M.

Under the terms of privatization, there is little the public can do except moan. For most, there is no alternative. When the Thatcher government cut BT loose from state ownership, it permitted only one competitor, a new company, Mercury, owned by Cable and Wireless. Mercury has begun to offer a telephone service — and savings of at least 10 percent — but so far it has aimed primarily at business customers, who are BT's favorites, too.

Or who thought they were.

One group of users in central London banded together to complain that its members had lost 20 percent of their business because of faults on BT lines. The group asked BT for a refund. When BT refused, it declared that its

members would switch en masse to Mercury in February.

BT seems slow to the point of indifference on installations, too. Applications for new telephone connections can take from six weeks to three months to be filled.

BT's regulator, OfTel, can only watch, scold and refer problems to the Monopolies and Mergers Commission. Yet, under its forceful director-general, Brian Carsberg, OfTel has been more of a nuisance than BT had expected. It has compelled BT to allow outside contractors to install internal telephone wiring and to change its accounting system to make cross-subsidization more detectable. OfTel also helped stop a deal between BT and IBM on value-added networks.

Last month, Mr. Carsberg criticized BT for the poor state of public telephone booths: 23 percent were out of order nationwide, with 38 percent in London, of which 17 percent of those checked remained unrepaired for three weeks or more.

To improve services, BT is hurrying toward the general introduction of its electronic telephone exchange, System X. In spite of cheery television advertisements boasting "It's you we answer," the signs of improvement are slow. BT is having to compensate for years and years of underinvestment. In 1982, the year before privatization, BT's investment per capita was only two-thirds that of France and just half of West Germany's.

Yet, electronic exchanges are essential for providing such service as an itemized telephone bill. BT promises that the itemized bill is on its way, a promise it has been making for years. Only two trial services are presently available, in Bristol and in the City of London.

Moreover, BT, with profits last year of £3 billion (\$3.45 billion), has given offense by placing an extra charge for "premium" maintenance — a telephone repaired within a day of going out of order. This charge hits emergency services. This month, BT sent the National Health Service a bill for £5 million for same-day repairs, a service the NHS, like everybody

else, previously enjoyed free. The TUA says selective repair "smells of monopoly abuse."

The recent intense criticism precipitated the retirement of Sir George Jefferson, BT's chairman, last month. But there was new outcry when he was replaced by his deputy, Iain Vallance, an old BT hand. Why did not BT acknowledge its need for a fresh approach by appointing somebody from an outside industry? Why is BT, with its solid profits, hoping to be released in 1989 from the pricing formula which keeps its rate increases 3 percent below the level of inflation?

The interests of shareholders (and the British Treasury's interest in raising cash from the sale) took precedence over creating a competitive environment.

Even so, a small start has been made in allowing more companies to compete with BT. Cable television systems have been given the right to offer two-way telecommunications services to their subscribers, but are not allowed to carry voice services.

Thus, BT will continue to enjoy its near monopoly. If Mercury continues to thrive, it will by 1990 still be taking in only £500 million worth of the national telecommunications traffic, which then will be turning over about £12 billion a year. And both companies are protected by government policy from new competitors offering "resale," a practice in which third parties rent telephone circuits in bulk and resell them at lower rates.

Next April, the Treasury hopes to sell off the remaining 49 percent of BT's shares. BT's financial prospects are bright: 10 percent growth in profits and 15 percent growth in earnings. The Treasury will not want to see anything done to darken them. The official concern is still to make BT a good buy rather than a good service.

BRENDA MADDOX is media columnist for the *London Sunday Telegraph*.

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Singapore Betting on an Expanded Role

Its small size and compact population have made it easier, quicker and cheaper to build an advanced telecommunications network than in bigger neighboring countries.

By Michael Richardson

SINGAPORE — Turning its small size to advantage and using its geographical location as a maritime gateway between the Pacific and Indian oceans, Singapore has systematically developed its position as a regional and international telecommunications hub over the last two decades.

When the first satellite earth station was commissioned in 1971, Singapore had 25 satellite circuits providing links to five countries. By the time a second earth station was officially opened last May, the system had 1,200 circuits linked directly to 50 countries.

Singapore, an island-state with a population of only 2.6 million, ranks as the world's 13th largest investor in Intelnet, the 113-member organization that owns and operates the global

satellite system for civil and commercial communications. Singapore is also the sixth biggest investor in Inmarsat, the International Maritime Satellite Organization.

The government, through the state-owned Telecommunications Authority of Singapore, has pumped extensive amounts of money and skilled manpower into the construction of a reliable and modern telecommunications infrastructure.

In addition to the satellite channels, six international submarine cable connections out of Singapore provide alternative all-weather links with many countries, carrying IDD (international direct dialing) calls to more than 160 destinations.

Analysts point out that Singapore's small size and compact population have made it easier, quicker and cheaper to build an advanced telecommunications network than in

bigger and more populous neighboring countries, such as Indonesia, where satellites play a key role in drawing together more than 13,000 islands in a widely scattered archipelago.

Nonetheless, Singapore's telecommunications program has been impressive. With over 1.1 million telephones in its push-button system, the island-state's ratio of 43 telephones per 100 people comes close to the 50 per 100 figure for West Germany and Britain.

Singapore officials have said that the telecommunications budget over the next five years will amount to about \$1.5 billion. Much of it will be spent on improved and expanded services for corporate and individual subscribers.

Yoo Ning Hong, the minister of communications and information, is sure the heavy investments in telecommunications will pay handsome dividends. "National economies, international trade and commerce are today totally dependent on the network of telecommunication linkages which interlace the globe," he said.

More than 240 international banks, 140 other financial institutions, more than 600 multinational corporations and a host of other companies relying on rapid data exchange, including computer-processed information, have set up office in Singapore.

The government believes that offering dependable and relatively cheap telecommunications is an important means of enhancing the competitiveness of Singapore-based businesses and attracting new investment, including high-technology ventures and multinationals wanting to set up regional headquarters.

The Swedish electrical giant, Ericsson,

moved its regional headquarters from Bangkok to Singapore partly because it was attracted by better communications. Other companies, among them Data General, the U.S. computer manufacturer, have also cited Singapore's advanced telecommunications as one of the factors for establishing or enlarging their operations here.

Company executives have noted with approval that many of Singapore's telecommunications charges, including those for IDD calls, telex, telefax, data leased circuits and a service known as Telepac that gives access to overseas corporate computers and data bases, are among the lowest in the world. Most of these charges have been reduced several times in the last few years.

In August, the Telecommunications Authority offered subscribers a new range of wide-band digital data leased circuits via Inmarsat. These can, for example, be used for transmission of motion pictures or large volume information transfers for printing of newspapers.

Singapore has invested about \$191 million in all-weather international undersea cable connections. These provide global links. The South East Asia-Middle East-Western Europe cable system was inaugurated in September 1986. Stretching for 8,500 miles (13,000 kilometers), it connects Seyn, France, Palermo, Sicily; Alexandria and Suez in Egypt; Jeddah, Djibouti; Colombo, Sri Lanka; Medan, Indonesia; and Singapore. In October, 1986, a new Australia-Indonesia-Singapore submarine cable system was opened.

The oil-rich sultanate of Brunei is the only close neighbor that is not connected to Singapore by an underwater telecommunications



The Sentosa satellite earth station on the outskirts of Singapore.

cable. That will change in 1990 when the two countries are to be linked by the first international optical fiber cable in Southeast Asia.

These fibers of special glass transmit pulses of light and can carry much more information than conventional copper wires used in both land and submarine telecommunication cables.

Alan Wong, manager of the Telecommunications Authority's submarine cable systems, said that the authority would buy circuits in a trans-Pacific optical fiber cable that will link the United States with Japan via Hawaii and Guam when it is completed in December 1988. Mr. Wong said that Singapore would invest in an optical fiber undersea cable that will run

from Singapore to Hong Kong, South Korea and Japan by mid-1990.

The first phase of an optical fiber network within Singapore, covering 15 telephone exchanges, was completed in 1984. The second phase, linking the remaining 11 exchanges, was finished in July. Officials said that by 1989 about 7,400 miles (12,000 kilometers) of optical fibers would crisscross Singapore, providing the basis for a wide range of sophisticated voice, video and data services.

MICHAEL RICHARDSON is the Southeast Asia correspondent for the International Herald Tribune and is based in Singapore.

Hawke Tackles Monopoly

By Laurel Fox Allen

SYDNEY — Prime Minister Bob Hawke, who won an unprecedented third term of office in elections in July, is spearheading a drive for deregulation and privatization in Australia in an effort to revive and restructure the country's economy.

Chief among the candidates for deregulation is Australia's largest enterprise, Telecom Australia. In a September 1986 report, the Economic Planning Advisory Council (EPAC), which was chaired by Mr. Hawke, selected telecommunications and communications as the two industries ripe for deregulation.

EPAC noted that technological change had brought diversity and opportunity to the telecommunications industry, and, it argued, Telecom Australia no longer had a natural monopoly, that is one where only one supplier would survive if the market were fully open to competition. It concluded that its monopoly should no longer be protected.

The EPAC analysis found wide support among communications users. The Australian Telecommunications Users Group, a lobby group for big business and business communications users, and the vendor group, the Australian Information Industries Association, have pushed for change and an end to Telecom's monopoly.

Private industry wants the removal of telecommunications regulation power from Telecom Aus-

tralia and the formation of an independent regulator. It also wants the regulator to limit Telecom's powers by drawing a line between basic communications services and what is value-added to the infrastructure.

Telecom Australia has promoted the idea that Australia, a set of coastal cities held together by a giant desert center, suffers from

Private industry has pushed for change.

the "tyranny of distance" and that this is reason enough to remain a monopoly. But commercial companies argue that monopoly, not distance, creates tyranny.

Although Telecom Australia has said that it wants change, it primarily wants change that will allow it to compete with private enterprise. It says, however, that until legislation is changed, it will continue to use its powers as it sees fit.

Its 17 telecommunications industry unions, and especially the biggest union, the Australian Telecommunications Employees' Association, however, have threatened to derail Telecom Australia

by stopping cash flow by restricting computer use.

The unions believe that Telecom must remain a monopoly in order to protect the jobs of their workers and to hold back the erosive effects of market forces on universal telecommunications services.

For 13 years, Telecom supported this view. However, in August, Mel Ward, its managing director, did an about-face. He said that since Australia's basic telecommunications services were established, Telecom Australia would now "go commercial."

Meanwhile, Gareth Evans, head of the new Department of Transport and Communications, the super-ministry formed by the merger of the communications, transport and aviation departments shortly after the Labor government won re-election, formed a "communications task force." Its report, expected late this year or early next year, will undoubtedly mean a major rethinking of legislation that defines the regulatory machinery of communications and broadcasting in Australia.

Mr. Evans, who is sometimes referred to as the "minister of privatization," has already developed an auction system for new radio licenses and ended the two-airline control of domestic aviation.

LAUREL FOX ALLEN is director of the Computer and Telecommunications newsletter based in Sydney.

Third World Forging 'Missing Link'

Continued from page 1

followed was an intensive campaign of education and persuasion.

The first major event was the World Telecommunications Development Conference in Arusha, Tanzania, in May 1985, attended by delegations from 93 countries and from international and regional organizations.

The Arusha declaration endorsed the general thrust of the commission's report and many of its specific recommendations. The conference acknowledged the need for developing countries to accord sufficiently high priority to the telecommunications sector for the "expansion, upgrading and modernization of their networks" — precisely what the commission had advocated.

"The Missing Link" featured on the agenda of other conferences as far afield as Tokyo, Nassau in the Bahamas, and Edinburgh. Meanwhile, the international agencies principally concerned were being briefed.

The most spectacular event of 1986 was the World Telecommunications Forum and the associated exhibition Africa Telecom 86 in Nairobi in September. The theme of the forum — was "Bridging the Missing Link."

The success of the campaign to increase awareness of the role of telecommunications in development was evident at Nairobi. Speaker after speaker from developing countries described how they were addressing their particular problems. That investment in telecommunications was an integral part of development was taken as read.

Ministers and directors had other preoccupations — over training, choice of technology, obstacles to regional collaboration. Any apprehensions expressed arose not so much from problems of developing existing systems but rather from fear that a new telecommunications gap could open up as industrialized countries introduced ever more sophisticated equipment in their advance toward the "information society."

Sitting in the Kenyatta Conference Center, I was struck by the change in perception since the

Arusha declaration little over a year earlier. The message had indeed been received loud and clear. And not only in developing countries. The participation of some 80 equipment manufacturers and operators in Africa Telecom 1986 showed that the market opportunities created by the new awareness in many developing countries were appreciated. It was encouraging, moreover, that so much of the equipment on display was relevant to African conditions.

How does the balance sheet look today — nearly three years after "The Missing Link" was published?

The commission did not expect results overnight. Investment decisions are never easy. Telecommunications have formidable opponents among those who hold the purse strings and approve national plans. Operators and manufacturers from industrialized countries approach new ventures with caution. So progress will be uneven and unspectacular.

Nonetheless when, step by step, Zimbabwe brings telephones to its remote areas; when the Caribbean operators strengthen their cooperation over training and technology; when China elevates telecommunications to the top rank of sectors for investment; when India embarks on ambitious projects to upgrade the systems in the major cities; when this story is repeated in the Middle East, Latin America and elsewhere; and when, above all, mutually acceptable financial deals are made, then one can only conclude that the world telecommunications situation is improving — slowly.

Not is there reason to suppose that insurmountable political, technological or financial obstacles stand in the way. A Canadian initiative deserves mention. The commission identified scarcity of trained managers as a major handicap and invited operators and manufacturers to offer more training opportunities.

In September 1986, the Telecommunications Executive Management Institute of Canada (TEMIC) — a joint undertaking by the private sector and the Canadian government — was launched. This institute, which offers courses for telecommunications managers

from developing countries, is a specific response to recommendations in the "Missing Link."

One of the commission's main recommendations was addressed to the ITU. We invited the administrative council when it met in July 1985 to establish a Center for Telecommunications Development as a matter of urgency.

This proposal was inspired by the strong desire of developing countries for disinterested advice on the whole range of issues involved in improving and expanding their networks. The commission believed that such an entity could not only offer this advice but also act as missionary in the cause of higher priority for telecommunications. We conceived the center as a novel partnership between governments, operators and the private sector, which would reflect both the comfortable and the uncomfortable realities of today.

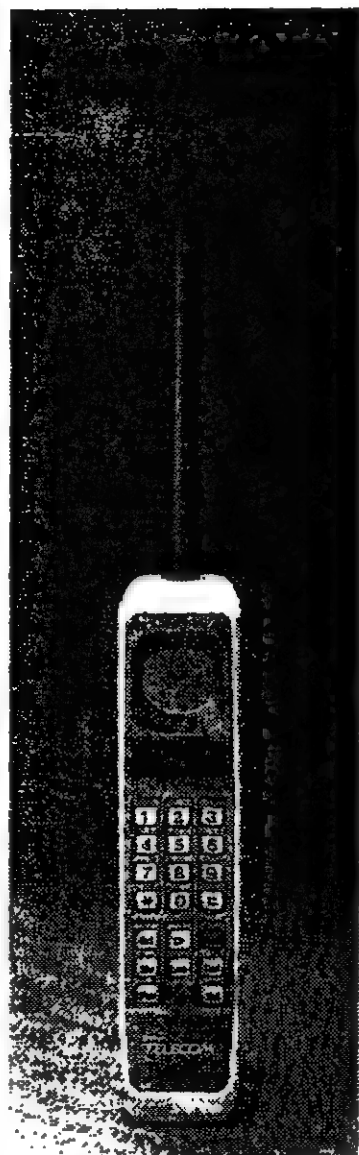
How has this proposal fared?

In July 1985, the administrative council passed a resolution establishing a center and prescribing in detail how this should be done. The advisory board met for the first time in November 1985. Ten months later — in September 1986 — the executive director and his deputy were appointed. In April of this year, the executive directorate submitted its action plan and budget.

The center is now off the ground. But, sadly it has failed to attract adequate support. If prospects do not improve, the next plenipotentiary conference of the ITU might usefully consider whether the administrative council's prescription for the center should be amended so that it will be better able to attract support and discharge the important tasks the commission had in mind.

Members of the independent commission should feel generally satisfied with the response so far to "The Missing Link." Higher priority is being given to investment in telecommunications. Networks are being improved and expanded. Finance is no longer seen as the main obstacle to progress. These trends must be encouraged and sustained. And it is to be hoped that before too long the center will be able to wield effective influence.

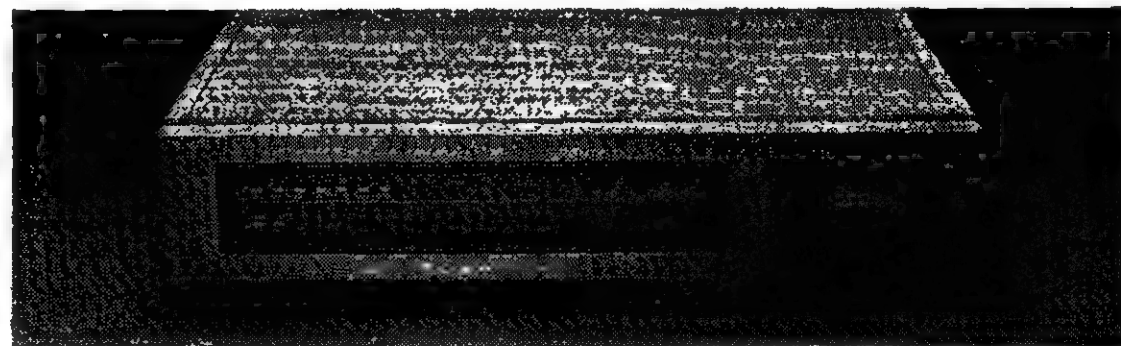
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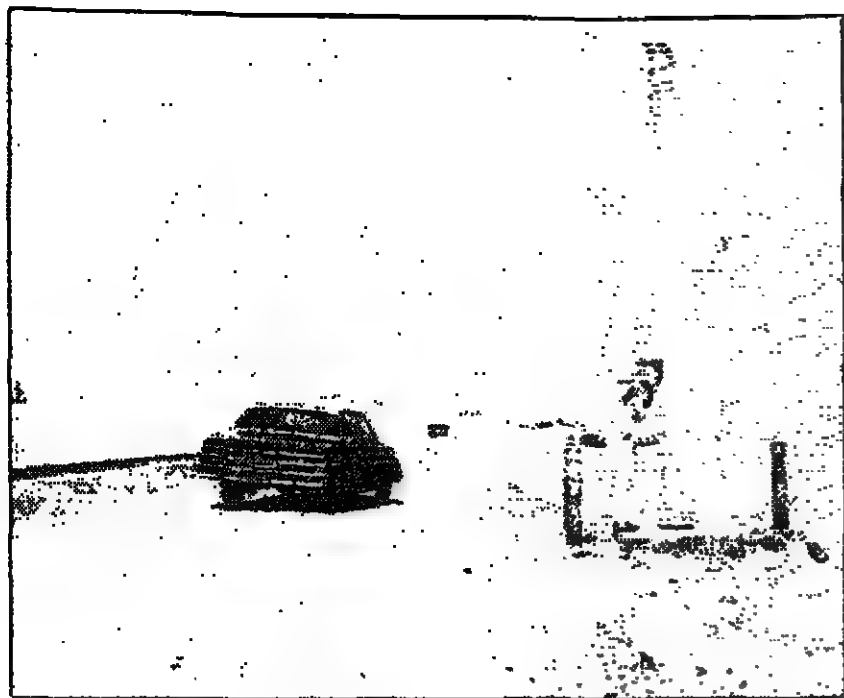
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A solar-powered telephone in Saudi Arabian desert provides emergency link for motorists.

Gulf States Install Extensive Networks

LONDON — The Arab countries like Africa and other parts of the developing world have also had to try to advance from a very low base level. In the last decade, they have achieved spectacular national and regional results.

In less than 10 years, Saudi Arabia has installed one of the most modern telephone systems in the developing world. Telephone lines were increased from 130,000 lines in 1978 to 1.3 million by the end of 1985. This has necessitated the installation of a complete transmission as well as exchange infrastructure in the country.

Facilities include a 15,000-kilometer (9,000-mile) microwave network, 5,000 kilometers of coaxial and optical fiber cable and seven satellite earth stations for domestic, international and maritime communication services.

The rapid development of telecommunications has been paralleled in other Gulf oil-producing countries. Bahrain has an expanding mobile telephone system and last year introduced a radio paging service. Mobile car and paging communication systems are also being developed in Kuwait, while pay telephones are becoming increasingly common in the region.

The region has also seen a vast increase in links with the rest of the world. More than 90 percent of Saudi telephone subscribers can dial direct to 160 countries and an estimated five million international calls are being made each month from Saudi Arabia.

The kingdom has an important role in the region's telecommunications and provides a

significant part of the Southeast Asia-Middle East-Western Europe cable route.

Other regional developments have included the Middle East and Mediterranean Telecommunication Network (Medarantel) project to coordinate network developments in North Africa, the Horn of Africa, Arab countries and the Balkans, including Turkey and Greece.

The services developed in individual countries, including radio, cable and satellite links, have evolved into a comprehensive regional infrastructure. In the Arab countries alone, telephone lines increased from 1.8 million to 5.5 million in the 10 years to 1985.

The most assertive move toward regional cooperation in the developing world has been the Arab Satellite Communications Organization's investment in a two-satellite communications system that was put into orbit in 1984. One satellite was launched by a European Ariane rocket and the other by the U.S. space shuttle.

Since then ground links and use of the system, which is designed to provide intraregional telephone, data and broadcasting services, have been slow to develop. Of 8,000 available circuits, only 1,430 were in use by the end of this summer. Nevertheless, the system shows the telecommunications advances that can be achieved in the developing world.

Iran's PTT minister said this year that his country is designing its own telecommunication satellites that are to be launched by China in the early 1990s.

Robert Bailey

The entire African continent with its 500 million people has fewer telephones than Tokyo.

By Robert Bailey

LONDON — The divide between telecommunications haves and have-nots may appear to be lessening at this year's International Telecommunication Union exhibition in Geneva as Third World countries as well as industrialized nations and major international companies vie to draw attention to their achievements, products and aspirations.

Substantial growth has certainly occurred in telecommunications infrastructure throughout the world since the last ITU exhibition four years ago. There is, however, still a huge disparity in the amount of telecommunications services and in their quality between industrialized countries and the developing world.

Most of the world's population lives in countries with less than 10 million telephones among them compared to a worldwide total of 600 million telephones. Indeed, two-thirds of the world's population has no access at all to telephone services.

The entire African continent with its 500 million people has fewer telephones than Tokyo.

The ITU's independent commission for worldwide telecommunications development reported in 1985 that, while developing countries account for 20 percent of the world's gross domestic product, they possess only 12 percent of the telephones. The disparity is even more marked in low-income developing countries which account for 5 percent of the world's gross domestic product though their share of the world's telephones amounts only to 1.3 percent.

Bangladesh with a population of 90 million had only 160,000 telephones in 1983, equivalent to a ratio of 0.18 per 100 people. Ethiopia with its 34 million population had just 0.31 telephones per 100 people. On average, telephone densities in less developed countries are 0.2 per 100 of population compared to 70 per 100 in Brussels or 92 per 100 in Los Angeles.

The independent commission, comprised of 17 members of different nationalities, was set up following a plenary meeting of the ITU in Nairobi in 1982 and asked to recommend ways to stimulate the expansion of telecommunications in the developing world.

Its report three years later concluded "in most developing countries the telecommunications system is not adequate even to sustain essential services. In many areas there is no system at all. Neither in the name of common humanity nor on grounds of common interest is such a disparity acceptable."

The commission added, "We believe that by the early part of the next century virtually the whole of mankind should be brought within easy reach of a telephone and, in due course, the other services that telecommunications can provide."

By the year 2000 various national plans suggest the possibility of growing from the average of 0.2 telephones per 100 persons in less developed countries to an average of 1 per 100. While statistically a small increase, such an advance would dwarf what has already been achieved in the poorer countries of the developing world.

Meeting the cost will be the biggest hurdle. The PTT adminis-



A radar station in Eritrea, Ethiopia, helping to bring telecommunications to rural population.

trations of industrialized countries can mostly finance expansion and modernization through revenues, usually obtained on a monopolistic basis, from existing services and clients. This option does not exist for countries striving, for instance, to provide rural services for the first time. Even when installed, there is little prospect of revenues being sufficient to meet even minimal investment costs.

Telecommunications clearly has to be treated as a long-term economic and socially significant investment of major importance for growth and development. A key factor in progressing investment will be the upgrading of telecommunications loans in World Bank priorities. The sector has received considerably less attention in the immediate past than projects for education, industry, water resources, transport, electrification, agriculture and rural development. In fiscal 1987, for example, the World Bank approved \$682 million for telecommunications projects out of approvals totaling \$17.67 billion.

The independent commission has recommended that the World Bank include telecommunications projects in proposals for multilateral guarantees against noncommercial risk. More optimistically, it has suggested that countries consider setting aside "a small proportion of revenues from calls between developing countries and industrialized countries to be devoted to telecommunications in developing countries."

An overall \$12 billion investment is estimated to be needed to bring services in less developed countries to an acceptable level in the next 10 to 15 years.

Africa is in the most dire need of telecommunications development. Of 36 countries classified by the United Nations as less developed, 26 are located on the African continent where rural populations have virtually no access to telecommunications at all, including telegraph, broadcasting and telephone services.

Malawi with a ratio of 0.58 telephones per 100 of its population of 6.5 million is relatively well off compared to other African countries, though to achieve its planned expansion to 0.78 telephones per 100 will mean an estimated \$300 million expenditure by 2000.

The greater a country's population, the bigger the investment required. Uganda with about 14 million people would like to see a tenfold increase in its number of telephones, from 62,000 to 680,000, an increase from 0.43 per 100 to 3.1 per 100 of population. This would necessitate a \$600 million to \$1 billion investment. Sudan with its 20 million population envisages a total \$895 million investment to bring about a fivefold increase in its present 70,000 telephones.

Regional cooperation as well as project development in individual countries is also highly important to the expansion of telecommunications and the raising of standards. Until the end of World War II, most of today's 50 African states were controlled by colonial administrations. Few telecommunication services outside the main government centers existed and what intra-African telecommunication traffic there was was routed through transit centers in Europe.

Developing international links as well as been an onerous, slow moving task due to the almost complete absence of skilled staff at all levels, lack of finance and of equipment relevant to the topographical and climatic conditions of Africa.

In 1962, the idea of a continental network was conceived. The resulting Pan-African Telecommunication (Panafel) network, has progressed beyond establishing the backbone of an African regional network into an ongoing project that is helping to stimulate development of national networks.

The Panafel network now includes six domestic satellite communication systems operating 64 earth stations, about 3,200 kilometers (1,975 miles) of coaxial multichannel hand cables, 5,000 kilometers of submarine cables and eight troposcatter radio relay systems with a total route length of 4,000 kilometers and 26 microwave systems linking various national centers over a length of 20,000 kilometers.

The longest microwave link in the world without repeater stations connects Africa with the Arabian peninsula 370 kilometers across the Red Sea.

In the long term, indigenous manufacture of telecommunications equipment including digital exchanges is likely to be a feature of development in the developing world. Production of older electromechanical exchanges already exists in some countries such as Iran.

Turkey has established digital exchange production based on joint ventures with Belgium's Bell Manufacturing Company and Canada's Northern Telecom. By the end of this year, it aims to have provided a telephone link to each of its 36,000 rural communities.

Algeria signed an agreement with Sweden's Ericsson in March to establish a joint venture to produce digital exchange equipment at Tlemcen, west of Algiers. Egypt is currently negotiating with Ericsson and West Germany's Siemens on establishing a similar facility to produce 300,000 lines of digital switching equipment a year.

Saudi Arabia also has plans to produce telephone exchange equipment through an offset agreement with the U.S. Boeing Industrial Technology Group. Morocco has recently told companies bidding to supply about 600,000 of exchange capacity that two-thirds must be produced locally.

Moves toward local assembly and production would benefit from cooperation on a regional basis. At the end of last year, a study by British Telecom estimated that the Arab world's demand for digital equipment would reach 1.2 million lines by 1990. It added that a demand for 250,000 lines a year was the minimum needed by individual countries to make domestic production viable.

As a result, the study commissioned by the Arab Industrial Investment Company recommended the setting up of just one or two factories to serve the whole region. Their location would be selected on objective economic criteria. Whether such a development is possible raises many questions, not least the availability of finance and the thorny issue of control in a region yet to overcome intense rivalries even in the interest of collective technological progress.

ROBERT BAILEY is the special reports editor of the London-based Middle East Economic Digest.

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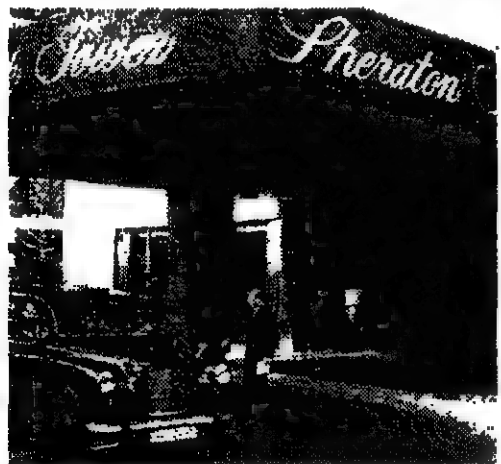
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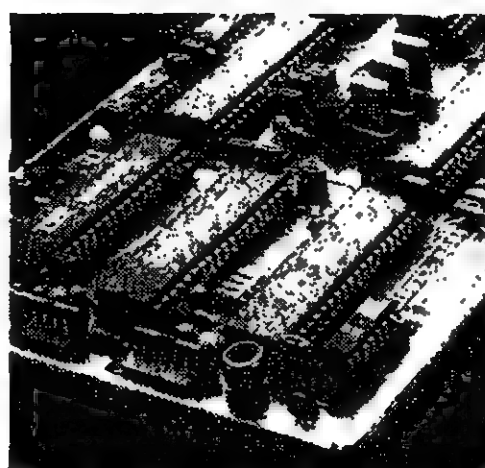
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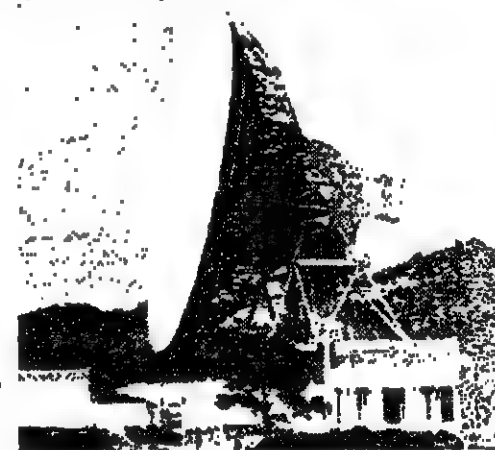


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And our joint venture with CGE, Alcatel N.V., has given us 37% ownership in what is now the largest telecommunications manufacturing company in the world.



These are just six of the businesses we're in that are already leaders in their fields. We're also leaders in Fluid Technology, Defense Technology, Communications and Information Services and Natural Resources.

The hard work is paying off. In the first 6 months of 1987, net income is up 60%, totaling \$427 million, or \$2.80 per share, compared to \$266 million, or \$1.75 per share for the first 6 months of last year.

And we've only just begun.

IT is ITT

BUILDING BUSINESSES INTO LEADERS

IE ROUT IN WORLD MARKETS: Stock prices plunge in a chaotic, panicky sell-off

MARKETS: Dow Plummets More Than 500 Points

(Continued from Page 1)

grew in intensity and under the spreading uncertainty of the duration of the current storm, which began after the peak at 2,722.42 on Aug. 19, the blue-chip age has given up more than 36% of its value.

Monday's drop helped to wipe the more than \$26-point gain that had piled up since the beginning of 1987.

The Dow Jones Industrial Average fell 531.104, a 52-week low. Eastman Kodak fell 27.25 to \$62.875, or \$24.75 to \$159.25. Procter & Gamble fell 23.625 to \$61.75 and Johnson & Johnson fell 20.25 to \$40.25.

They killed them, they killed a real good, and it's anyone's guess what will happen tomorrow," Bill Lord of Shearson Lehman Hays.

Old stocks were the only pocket of strength. "People run to a safe haven in gold when there is chaos in the world," one trader said, "and it's certainly that perception of it right now with tension in the Middle East and world markets unpressured."

Levitt Gold jumped \$3.75 to \$50.10, Calumet to \$32.50 and Asa Ltd. 12.5 cents to \$65.

If the market had just gone down 30 points Friday, it might not have been so bad," said Hugh Mason, investment strategist at Albany. "But given the way the market feels right now, it is a real damn shame."

Reagan administration's decision to attack offshore Iranian oil platforms in response to a misadventure by Iran on an American-leased tanker off Kuwait fueled tensions in the market. The sell-off accelerated in response to a weaker dollar and the ability that the so-called Lou-

vre Accord to stabilize the U.S. currency may be coming apart.

However, in what appeared an effort to calm financial markets, Treasury Secretary James A. Baker 3d flew to Bonn on Monday, met top German officials and agreed to support the Louvre pact, the Treasury said.

Mr. Baker commented over the weekend that the U.S. administration might allow the dollar to drift lower against the West German mark to offset Bonn's recent interest rate increases.

Few in the marketplace, however, believe that the administration is capable of allowing the dollar to decline against selected currencies. Instead, most believe it will fall against all major currencies. With the Treasury planning another big auction in November, some analysts think interest rates will have to increase again to attract foreign investors.

Frank Korth, a market analyst with Shearson Lehman Brothers, believes the yield on a long term Treasury bond may have to reach 11 percent. "It's part of a circle of events that continues to force the markets to spiral downward," he said.

On Monday, money continued to pour out of stocks and bonds into gold and short-term Treasury securities, which are considered safe havens in times of crisis.

The fear among investors was obvious from the start of trading with the Dow off more than 65 points in the first hour of trading.

Even this, however, did not fully testify to the market's woes. About 20 percent to 30 percent of the Big Board's stocks could not be quoted initially because a wave of selling orders created an order imbalance. By late afternoon, the backlog had grown to the point where the mar-

ket tape that records prices was running more than 130 minutes behind.

The only respite the market enjoyed occurred in midmorning when the Dow began to retrace its steps in response to a stronger bond market. But any rejoicing proved short-lived, as stock prices resumed their plunge an hour later.

Traders and analysts were stunned by the severity of the latest decline. Many had expressed optimism that the downturn that began last Wednesday was part of the long awaited correction and that prices would rebound. In fact, the panic selling that was apparent last Friday was interpreted by some as a positive sign since this usually occurs at the end of a correction.

But the talk on Wall Street late Monday had more to do with surviving the next day rather than the long-term health of the bull market. Many expressed concern that foreign investors who underpinned the rally through most of the summer may abandon the market because of currency concerns.

"When you get this kind of insanity, anything can happen," said Edward Yardeni, chief economist for Prudential-Bache Securities.

Even if the market does regain its composure in the days ahead, analysts said there would be little chance of a significant rally before the end of the year.

Some institutional investors may re-enter the market, but many market observers fear the turmoil of the last few days has left a bitter taste.

The market has had little to cheer about lately. The inability of the Reagan administration to show convincing evidence that the trade deficit is improving to any significant degree has been a source of dismay since the summer.

Many economists suspect the ad-

Gold Prices Soar \$20 on Stock, Dollar Worries

Reuters

LONDON — Gold prices soared more than \$20 Monday, propelled by a weak dollar, plunging stock prices and the U.S. attack on Iranian oil platforms, before easing.

In London, gold was fixed at \$481 an ounce in what dealers said was probably a record long fixing of one hour 55 minutes. The gold market closed shortly thereafter.

Gold, a haven in times of crisis, closed in London at \$482.75, more than \$15 up from \$467.5 at Friday's close, but below the day's high of \$490, the highest in four and a half years.

By midday in New York, spot gold was up \$12.40 at \$494 an ounce, after falling back from an early high of \$491.50.

In futures, December gold retained a gain of \$1.50 at \$487.80 an ounce, having risen from \$486.30. Analysts said the market attracted speculative buying taking on disappointment that it lacked the momentum to break \$500.

The British pound also gained on the dollar, closing at \$1.6855, against \$1.6665.

Dealers said the market remained uncertain amid the conflicting trends now emerging. "People are widely confused," said one dealer. "They are really afraid."

A dollar sell-off, first begun overseas, was sparked after Mr. Baker angrily charged on the weekend that recent interest rate increases by West Germany were not in the spirit of February's Louvre accord on currency stabilization by the Group of Seven industrialized democracies.

Dealers took Mr. Baker's comments as an endorsement for a lower dollar. "It made sense to be short," a trader said.

Dollar Sharply Lower Before Baker Comment

Compiled by Our Staff From Dispatches

NEW YORK — The dollar closed sharply lower Monday in New York trading, pushed down by the steep decline in U.S. share prices, dealers said.

Dealers said the 508.32-point drop in the Dow Jones industrial average renewed fears that foreign investors would liquidate their dollar holdings.

In after-hours trading, however, the dollar erased its losses, rallying in response to news that James A. Baker 3d, the U.S. Treasury secretary, had held meetings with Gerhard Stoltenberg, West Germany's finance minister.

The dollar closed in New York at 1.7735 Deutsche marks, down from 1.7980 DM at Friday's close; at 141.35 yen, down from 142.40; at 5,924.5 French francs, down from 6,004.5, and at 1,4730 Swiss francs, down from 1,4880.

The dollar closed in Frankfurt at 1.7740 DM, down from 1.8025 at Friday's closing, and in Paris at 5,9395 French francs, down from 6,0130.

The dollar was fixed in Frankfurt at 1.7740 DM, down from 1.8025 at Friday's closing, and in Paris at 5,9395 French francs, down from 6,0130.

It closed in Zurich at 1,4760, against 1,4955.

London Dollar Rates

Currency	Rate	Rate
Deutsche mark	1.7735	1.8015
French franc	5,924.5	6,004.5
Japanese yen	141.35	142.40
Swiss franc	1,4730	1,4880
British pound	1.6855	1.6665

Primary rates indicative only.



A newspaper seller putting a poster in London, where stock prices suffered a record one-day fall on Monday.

ASSESS: Comparisons With 1929

(Continued from Page 1)

securities that suddenly look inexpensive.

He said a temporary closure of the markets to allow them to cool off would be an unwelcome solution, although some traders said they believed it would be helpful.

In Washington, the chairman of the Securities and Exchange Commission, David Ruder, said that a brief trading halt had been discussed, but rejected, on Monday.

Monday's action was largely confined to stock markets.

The price of gold was up a sharp \$20 an ounce but closed in London at \$482.50, a gain of about \$10 from Friday's New York close. The

price of oil also spiked, up about 40 cents a barrel, before retreating to a small 2-cent gain.

Analysts said the focus of activity on the stock markets reflected the high proportion of individual investors present there as compared with institutional investors in bond or foreign-exchange markets. The share selling by individuals meant that institutional investors could not ignore the market and the heavy institutional sales reinforced the decline.

In Tokyo, bankers noted that it is easier for Japanese institutions to speculate in the stock market than in the foreign-exchange market, where daily positions must be reported to the Bank of Japan.

Monday's OTC Prices

NASDAQ prices as of 3 p.m. New York time.

Via The Associated Press

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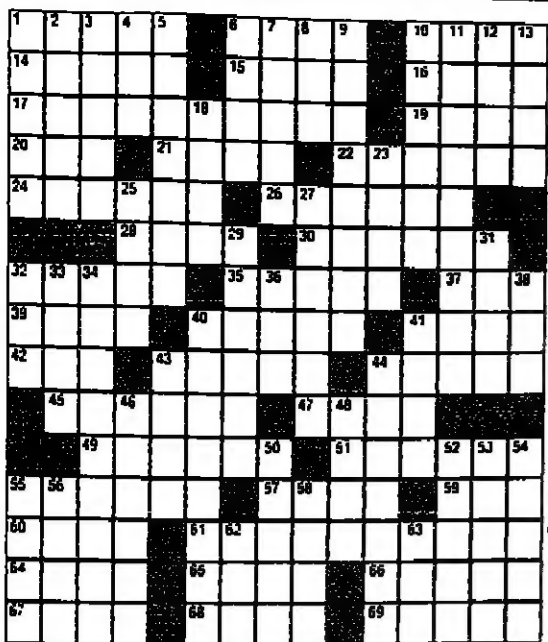
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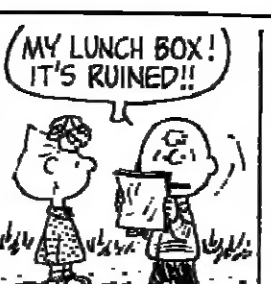
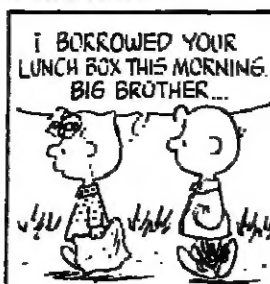
ACROSS

1 "60 Minutes" co-host
6 Charitable gift
10 Style of jazz singing
14 Cognizant
15 Anxious
16 Do honor at
17 Most dignified
19 Cony Island
20 Literary monogram
21 Put on the line
22 Six, for the big hand
24 Respectfully
26 Chive
28 Castle
30 Put on hold
32 African antelope
35 Dormant
37 Crewman at
39 Lincolnton
40 Red with
41 Pull up stakes
42 Glide at St. Martin
43 La... of Milano
44 Held a watch on
45 Not wholly

DOWN

1 "Le... du printemps"
2 French leave group
3 Victim of
4 Fall from grace
5 Tire with new life
6 "Lucky Jim" author
7 Scallions' kin
8 A.M.A. members
9 Pioneers
10 Edit film
11 Miteu for Barrow
12 Pulley, to turn
13 Cafeteria utensil
14 Describe
15 Weigh by lifting
16 Anglo-Saxon place
17 Swellings
18 Widen
19 Except
20 Overhead rail lines
21 Nurse god of mischief
22 Henry V won here; Oct. 1415
23 Nothing
24 Roulette bet
25 Cut corners
26 Tinty archrival
27 Weakens
28 Shaving of a monk's head
29 Six of a shirt
30 Authority
31 Not glossy
32 Cereus or Sheen
33 Signs of our times
34 Long poem
35 Lollobrigida
36 Jack Frost?
37 Baba
38 Cold and damp

PEANUTS



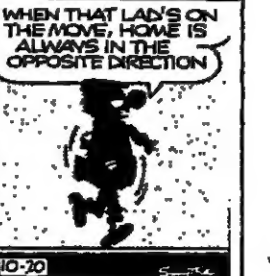
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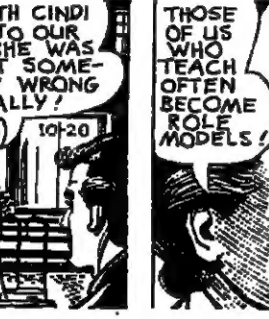
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REX MORGAN



GARFIELD



BOOKS

I PLEDGE ALLEGIANCE . . . The True Story of the Walkers: An American Spy Family

By Howard Blum. Illustrated. 438 pages. \$18.95. Simon & Schuster, 1230 Avenue of the Americas, New York, N.Y. 10020.

Reviewed by Christopher Lehmann-Haupt

"THE life of spies is to know, not to be known," wrote George Herbert, the 17th-century English poet. Howard Blum, an investigative reporter, convinces us otherwise in his unusual nonfiction espionage thriller, "I Pledge Allegiance."

Building carefully from interviews, trial transcripts and government records, and writing in the various narrative idioms of his wit, Blum has made an almost novelistic drama of John A. Walker Jr.'s decision to sell military secrets to the Soviet Union.

Even though handicapped by never having met or interviewed Walker, the author makes us feel we are present as the navy communications expert first approaches the Soviet Embassy in Washington, then cunningly seduces a friend and certain family members into joining his enterprise and finally, after more than 17 years of profitable espionage, steps into the FBI trap that brings his career to an end.

There are acutely telling details. So meticulous was John Walker that he would use his wife iron flat the \$50 bills with which the

Russians paid him (\$20 bills were too bulky, \$100s too easy to trace) and the FBI notice them for their tendency to curl from being wound in tightly banded rolls.

We glimpse the many sides of John A. Walker — the clown, the braggart, the fantasist and — the good-natured joker who kept his men's morale up during long submarine voyages and the ill-tempered bully who beat his wife and children.

It has been observed elsewhere that the Walker family represents a new kind of American traitor — one not encumbered by ideological commitment or loyalty to a foreign power but rather one simply in the game to make a buck. But Blum persuades us that there was more to John Walker than the mercenary.

Certainly he was driven at first by financial pressure: He got himself into terrible debt and he found a way out.

But once started, he discovered there were other benefits besides money. He liked the playing of the game itself, the thrill of taking risks and being afraid of getting caught. He liked the sense of worth it gave him. He liked the feeling that he was a secret celebrity. One of the most telling details in Blum's book is revealed when Walker becomes a private detective after retiring from the navy and is asked to phone to investigate a former friend who has risen to a position of leadership in the Ku Klux Klan.

When he got that strange call asking him to investigate, "It just reaffirmed to Johnny how far his old buddy had come up in the world."

By such perversed standards, Walker's success never comes to an end. In the final pages, we find him trying to put together a \$3 million movie and book package for his family that would be, in Blum's words, "a lot sweeter than the last deal he had cut for them." If that would be, successful, "about five times the entire sum the ring had earned from the Russians. . . . A lot of people thought the KGB had made out like bandits."

Blum does not disclose whether such a deal was ever consummated, though he does refer in his acknowledgments to a man "who is writing the screenplay on the Walker family for CBS. One trusts the Walkers will not profit from this. If they do, maybe we as their victims should receive some small share."

Christopher Lehmann-Haupt is on the staff of The New York Times.

CHESS

By Robert Byrne

THE games of yesterday are primarily useful for inspiration and not absolute truth. Nevertheless, one must beware of rushing to fault the thinking of the titans of the game.

Recently, in a game between Jan Timman, the leading Dutch grandmaster and Boris Gulko, a Russian émigré grandmaster who now lives in the United States, there was presented a stern challenge to a half-century-old concept of attack of Alekhine. In the play, which took place in the O.H.R.A. International Tournament in Amsterdam, Timman succeeded, but one may well wonder whether Alekhine might not have turned in his grave. Before this game, Gulko had been doing well with the ancient Russian Defense to the Ruy Lopez. For example, his game with Robert Huebner in the Biel International Tournament in Switzerland went 5... NXP: 6 Q-K2, N-N3; 7 QxQ, BxQ, with a perfectly satisfactory ending for Black, which Gulko actually won.

This time, Gulko met White's attempt to overwhelm Black in the center with 5 NXP by 5... N-N3, 6 P-Q4, P-Q3; 7 B-R4, N-P3, 8 P-Q3, 9 Q-B3, 10 Q-B1, QxQ, 11 K-R4, 12 B-K2, 13 B-K2, 14 B-K2, 15 B-K2, 16 B-K2, 17 B-K2, 18 B-K2, 19 B-K2, 20 B-K2, 21 B-K2, 22 B-K2, 23 B-K2, 24 B-K2, 25 B-K2, 26 B-K2, 27 B-K2, 28 B-K2, 29 B-K2, 30 B-K2, 31 B-K2, 32 B-K2, 33 B-K2, 34 B-K2, 35 B-K2, 36 B-K2, 37 B-K2, 38 B-K2, 39 B-K2, 40 B-K2, 41 B-K2, 42 B-K2, 43 B-K2, 44 B-K2, 45 B-K2, 46 B-K2, 47 B-K2, 48 B-K2, 49 B-K2, 50 B-K2, 51 B-K2, 52 B-K2, 53 B-K2, 54 B-K2, 55 B-K2, 56 B-K2, 57 B-K2, 58 B-K2, 59 B-K2, 60 B-K2, 61 B-K2, 62 B-K2, 63 B-K2, 64 B-K2, 65 B-K2, 66 B-K2, 67 B-K2, 68 B-K2, 69 B-K2, 70 B-K2, 71 B-K2, 72 B-K2, 73 B-K2, 74 B-K2, 75 B-K2, 76 B-K2, 77 B-K2, 78 B-K2, 79 B-K2, 80 B-K2, 81 B-K2, 82 B-K2, 83 B-K2, 84 B-K2, 85 B-K2, 86 B-K2, 87 B-K2, 88 B-K2, 89 B-K2, 90 B-K2, 91 B-K2, 92 B-K2, 93 B-K2, 94 B-K2, 95 B-K2, 96 B-K2, 97 B-K2, 98 B-K2, 99 B-K2, 100 B-K2, 101 B-K2, 102 B-K2, 103 B-K2, 104 B-K2, 105 B-K2, 106 B-K2, 107 B-K2, 108 B-K2, 109 B-K2, 110 B-K2, 111 B-K2, 112 B-K2, 113 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SPORTS

Twins Deck Cards, 8-4, for 2-0 Lead

By Michael Martinez

New York Times Service

MINNEAPOLIS — The Minnesota Twins, who burst from the gate in Saturday's World Series opener, had plenty left Sunday night. They scored six runs in the fourth inning, got home runs from Gary Gaetti and Tim Lincecum and heard the familiar strains of a screaming sellout crowd on their way to an 8-4 victory over the St. Louis Cardinals and a two-game Series lead.

The Twins, who have won all four of their postseason games at the Metrodome, where a record 55,257 were in attendance Sunday, now join the Cardinals in St. Louis for the third, fourth and, if necessary, fifth games.

Game 2's resounding victory was a mirror of the 10-1 triumph on Saturday, when Minnesota scored the bulk of its runs in the fourth. The Twins got six in that inning Sunday off Danny Cox, the St. Louis starter, with Randy Bush and Lincecum driving in two apiece.

In two games, the Twins have outscored the Cardinals, 18-5, and have outpitched them, 21-14. They also became the first team ever to score at least five runs in seven consecutive postseason games in the same year.

Their lead was 7-0 by the time St. Louis scored its first run. By eleven, the Twins were seven innings and surrendered two harmless runs before Juan Berenguer gave up two more and yielded to Jeff Reardon, who pitched a scoreless ninth; Reardon was in the game mainly because he needed the work.

Sunday night's pitching matchup was a first for the World Series, opposing two European-born pitchers — Blyleven was born in the Netherlands and Cox in England. But only one, right-hander Blyleven, remained there beyond the fourth.

Cox, like Joe Magrane a night earlier, was knocked out of the game by a Minnesota rush. This time, the Twins turned a 1-0 lead into a 7-0 cushion.

Gaetti had put the Twins ahead in the second with a line-drive, 397-foot (121-25-meter) homer off Cox into the left-field seats. It was Gaetti's third hit in two Series games and his third home run in the postseason.

But the fourth inning must have looked like a television rerun to the St. Louis manager, Whitey Herzog. In Game 1, the Twins exploded for seven runs, sending 11 batters to the plate; Sunday night, same inning, same number of batters, six runs.

It was pretty much over by that point. Even Herzog had conceded after the first game that his team was done with the score at 7-1. Now, in Game 2, he was facing an even greater deficit.

This time there was no grand-slam homer by Dan Gladden — only six hits, two walks and a wild pitch.

Minnesota loaded the bases with one out. Kirby Puckett and Kent Hrbek each lined singles to right before Cox, with Gaetti at the plate, unleashed a delivery in the dirt on a 2-0 count. The runners moved to second and third.

On the wild pitch, and Gaetti drew a four-pitch walk before Randy Bush, making his first start in a Series, slashed a double to the wall in right after falling behind in the count, 0-2.

Puckett and Hrbek scored for a 3-0 lead, and the roll began.

With first base open, Cox intentionally walked Tom Brunansky to get to Steve Lombardozzi, the weak-hitting second baseman, and set up a possible double play. But instead of a ground ball, Lombardozzi lofted a fly ball to left that was too shallow to tempt Gaetti.

Tim Lincecum, the catcher who calls himself Buck-Ninety for his regular-season average (actually, he hit .191), delivered two more runs with a bounce through the left side of the infield. Gaetti came in, and so did Bush —

scoring from second base with an acrobatic, head-first slide, his left hand brushing the plate ahead of the tag by catcher Tony Peña. A single by Gladden drove in Brunansky and knocked out Cox. Then Greg Gagne's bloop double to right, off Lee Tunnell, added another run to make it 7-0.

In the sixth, Lincecum cracked a homer to dead center off Tunnell, a 420-foot shot that made it 8-1.

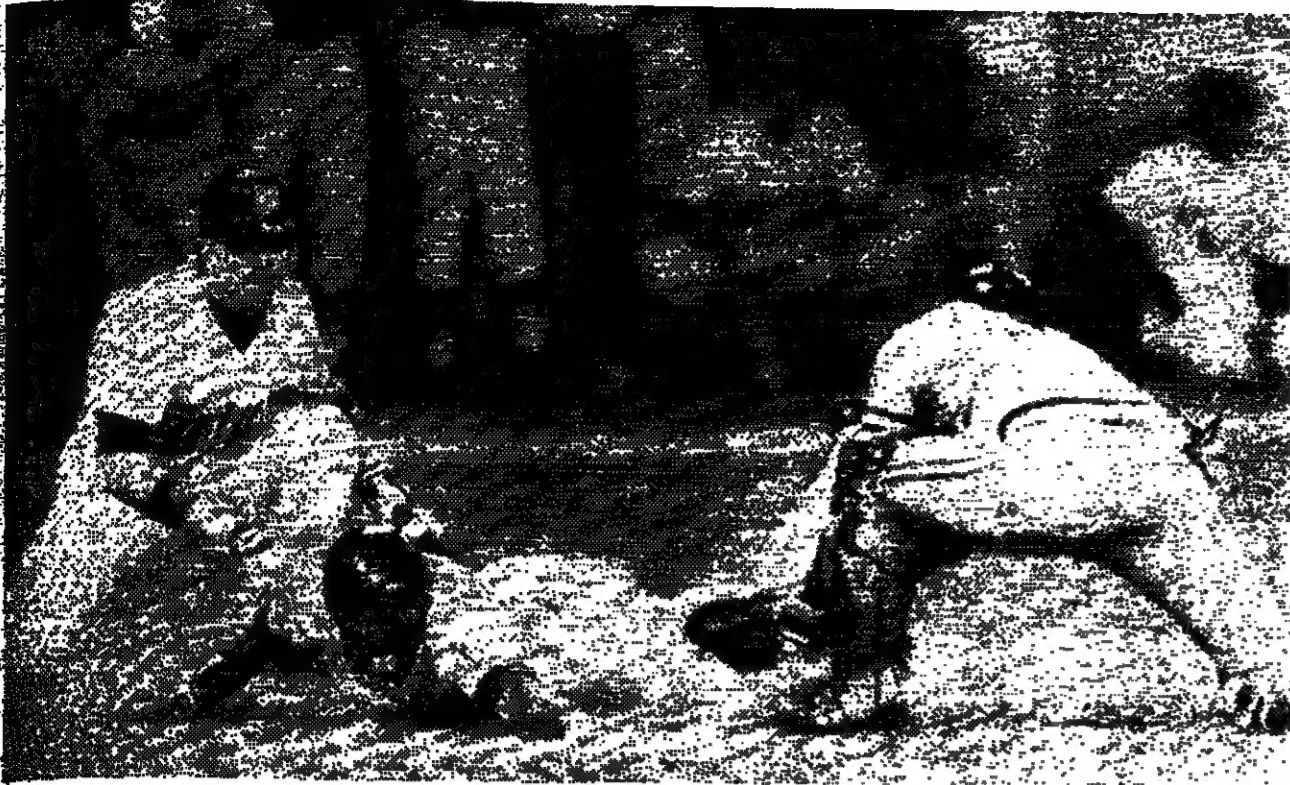
Without the injured Jack Clark to help erase big deficits with one swing of the bat, St. Louis was in an obvious hole. The lineup Herzog put on the field Sunday night totaled 38 home runs during the regular season, four more than Hrbek hit by himself.

Blyleven seemed to have the Cardinals off balance for most of the night. Vince Coleman looked at three pitches and struck out to begin the game, and it didn't get much better from there. Blyleven struck out Dan Driessen to close the first, José Quiroga to end the second and Peña to open the third.

He set down 12 of the first 14 batters he faced before Terry Pendleton led off the fifth with a single and eventually came around to score.

Pendleton was reduced to being the Cards' designated hitter because of a strained muscle in his right arm. He grounded out his first time at bat, then got to Blyleven and moved to second base on a walk to Curt Ford. Two groundouts later, he was home with the visitors' first run. But Blyleven struck out Coleman to end the fifth and put down Ozzie Smith, Tom Herr and Driessen routinely in the sixth.

St. Louis got a run in the seventh on successive singles to center by Ford, Quiroga and Peña, but potential trouble was averted when Puckett threw out Quiroga trying to advance from first to third on Peña's hit. The Cardinals scored two consolation runs off Juan Berenguer in the eighth.



Randy Bush gave the Twins a 5-0 lead with a fourth-inning slide that beat the sweeping tag of Cardinal catcher Tony Peña.

Fabled Minnesota: Well, It Ain't Necessarily So

By George Vecsey

New York Times Service

MINNEAPOLIS — The first thing you notice, upon stepping out of the hotel, are the children. They are strollers, toddlers being onto parents' hands, teenagers looking in store windows.

For a New Yorker, the sight of children downtown is even more shocking than the noise and the fluttering white hankies of the Metrodome, where fans celebrated the Twins' 10-1 and 8-4 weekend victories.

Where did Minnesota find all these children? In midtown Manhattan, children are occasionally spotted walking warily to school or meeting their fathers for the weekly Sunday brunch.

In downtown Minneapolis on Saturday, it was like a suburban mall with skyscrapers, Lake Wobegon with blond punk haircuts, Little House on the Prairie with Vietnamese restaurants, Mary Tyler Moore tossing a baseball cap in the air.

Is there some huge population bubble taking place out here that the census bureau hasn't yet tracked down? Is this a city without Yuppies, without the double-income-no-kids syndrome? Can people afford children here? Are there apartments with two and

three bedrooms near downtown?

Maybe some of the families were visiting for the University of Minnesota football game on Friday night, maybe others were visiting from St. Louis or other distant territory just for the World Series.

But many people along the bustling Nicollet Mall were obviously locals, doing what they do on autumn Saturdays, and the teen-agers heading toward the record shops and fast-food stands of seedy Hennepin Avenue seemed to know the way by heart.

Even that not totally benign strip of Minneapolis was co-opted on Saturday by pep rallies and bands and cheerleaders, all celebrating the ubiquitous white hankies, symbol of the Minnesota Twins' renaissance.

This World Series is going to expose a little secret — what a pleasant place this is, without even a glimpse of the lakes a few minutes from downtown. Letting in all these biocoastal types is going to destroy the blessed anonymity of the upper Midwest.

This World Series is also going to damage the stereotype of the impulsive Minnesota, uttering "not so bad" upon marrying a childhood sweetheart or inheriting a million dollars.

These people can make noise with the best of them, indoors or outdoors. In the first World Series game in Minnesota in 22 years, the fans were recorded at 118 decibels for Dan Gladden's Game 1 grand-slam homer, just short of the sound of a jet plane leaving the ground, according to a sound meter supplied by the Minnesota Pollution Control Agency.

Saturday's crowd also chipped in with 117 decibels for Gladden's run-scoring double, 114 decibels for the final out, 111 decibels for the national anthem and 107 for the pregame introduction.

Then there was the horn-blowing after the game. After listening to Garrison Keillor on Prairie Home Companion for all those memorable Saturday evenings, one would have expected all good Minnesotans to rush home so they could go duck hunting or go to church, the state's two major Sunday morning activities.

Instead, the fans took to their cars and coursed through downtown for hours after the game. The fans didn't do any damage. Nobody cursed or tossed beer bottles or set fire to other cars, so you could not truthfully say it was a real urban American baseball celebration, but maybe that will come if the Twins clinch the Series later this week.

In the first indoor World Series game, the Twins and their fans did impress upon the visiting Cardinals that the Metrodome is an important weapon for the team with the extra home game.

"In St. Louis, we like to think of our fans as the 10th man," said Tom Lawless, the pleasant Cardinals utility man. "Obviously, that's what the crowd is for here too." Some of the Cardinals tried to downplay the importance of the noise and the hankies. Joe Magrane, the well-spoken young pitcher, worked with earplugs, but later said the noise had nothing to do with the five runs he gave up.

Lawless, who was pressed into starting because of Terry Pendleton's injury, said that crowds in Houston's Astrodome are smaller and less enthusiastic, and that the noise escapes through the roof in Montreal. The white ceiling with its circular holes was also an obstacle, and Tommy Herr, the second baseman, said the artificial turf was a different texture from the Busch Stadium turf in St. Louis.

But the main difference was the jet-plane noise.

Maybe Keillor was making it all up about stolid Minnesotans. Is it another fable that it snows a bit up here?

Replacements Get Lesson From Returning Strikers

Compiled by Our Staff From Dispatches

NEW YORK — The strike replacements learned a lesson Sunday. There's a big difference between real National Football League players and their stand-ins.

Joe Montana and Steve Largent, plus such backup quarterbacks as Gary Danielson, Jeff Kemp, Pat

Ryan and even Doug Flutie spent their first week back taking advantage of playing against the second-stringers.

But even the presence of Lawrence Taylor couldn't prevent the New York Giants' fifth straight win, 6-3 in overtime to Buffalo in a game marked by 258 yards in penalties, five missed field goals and one turnover.

It marked the worst-ever start — almost one requiring an asterisk — for a defending Super Bowl champion.

For some, the heroics were almost embarrassing, particularly Largent, who almost surely would have set a record for catches in a game had he not left Seattle's 37-14 victory over Detroit with 9:26 left in the third quarter.

Largent, who crossed the picket line last week, pulled in 15 passes and extended his NFL record of consecutive games with a reception to 143.

The one-game record for receptions, 18, was set by Los Angeles Ram Tom Fears in 1950.

"I don't take any personal joy in this at all," said Danielson, who completed 25 of 31 for 281 yards and four touchdowns as the Browns beat nine regulars and routed Cincinnati's replacements, 34-0.

That shows what happens when you get professional football players involved in these kind of games — the cream always rises to the top," said Ken O'Brien, the regular quarterback after Ryan, his backup, led the New York Jets to a 37-14 overtime decision over Miami.

The one notable exception on the field and final word of strike football was Erik Kramer, Atlanta's replacement quarterback, who led the Falcons back from a 17-0 deficit to a 24-20 victory over the Los Angeles Rams — who had 11 veteran backups.

But the rule was mismatches, as those veterans who reported Wednesday toyed with teams whose veterans came back when he struck ended too late to be eligible for Sunday's games.

Montana, one of 17 regular San Francisco 49ers on the field, was 4-of-39 for 334 yards, four touchdowns. One TD pass, to tight end Ron Heller, gave San Francisco a 34-28 victory over St. Louis, which had 21 players back from the strike.

Flutie, who had been traded to New England by Chicago last

week, led the Patriots past Houston by going 15-of-25 for 199 yards and a touchdown and by scrambling six times for 43 yards.

And the Jets' Ryan was 30-of-49 for 301 yards and four touchdowns, including the game-winner in overtime.

Atlanta's Kramer, a rookie from North Carolina State, wasn't the only replacement player to get a thrill from what may be his last NFL game.

John Chirico, a reserve fullback on the Jet replacement squad, was part of a winner for the first time in his last 36 games.

Chirico played college ball at Columbia, which lost 35 in a row during his time there, and the Jets' replacements were 0-2 before Sunday's victory.

There was no rush back by the fans. Sunday's average attendance was about 26,500 — 38 percent of capacity.

For the most part, replacement players were realistic about their bit-part roles. Quarterback Steve Bono helped Pittsburgh win, but his mood was anything but victorious.

"Everybody in this locker room is happy we won, but everybody's a little apprehensive about what's going to happen," Bono said after throwing two TD passes to lead the Steelers past Indianapolis.

"It's a little subdued in here and I guess it is all around the league," Bono, a replacement player, probably became expendable when the regulars ended their strike last week and made plans to return to work on Monday.

Nobody really knows what their future holds," he said. "I'd like to start next Sunday (against Cincinnati), but I don't even know if I'll be on the roster."

Some replacement players held out hope of hanging on in the NFL when the league decided to expand rosters to 85 players from the usual limit of 45.

The expansion in part is designed to protect teams from a sudden walkout by the regulars next Sunday.

But most weren't expecting much.

Detroit linebacker Tim Ross said he'll return to his job as an emergency medical technician with the Toledo, Ohio, fire department. He was on vacation when the strike began and managed to juggle more time off when it continued.

"I've enjoyed it," he said of his tenure with the Lions. "But I knew I had something to do at home, too," he said.

"I'd like to take all these guys home with me," said San Diego Coach Al Saunders of his replacement players after a 23-17 victory over the Los Angeles Raiders.

And next week?

"We will play with the best 45 players available to us," Saunders said.

Flutie, who had been traded to New England by Chicago last



Running back Joe Durek eluded Kansas City linebacker Winford Hood (92) to gain six yards in Denver's 26-17 victory.

SPORTS BRIEFS

Woosnam Takes Match-Play Tourney

WENTWORTH, England (UPI) — Welshman Ian Woosnam defeated Sandy Lyle of Scotland to win the world match-play golf tournament on the last green of Monday's 36-hole final. The tournament was delayed a day by the hurricane that hit southern England on Friday.

Woosnam, who had beaten American Sam Randolph, Nick Faldo of England and Spaniard Severiano Ballesteros in the competition, won with a six-foot (1.82-meter) par putt. In the playoff for third place Ballesteros, four down with six to play, squared the match with four birdies before downing South African Mark McNulty on the second extra hole.

Mansell Winner of Mexican Grand Prix

MEXICO CITY (UPI) — Briton Nigel Mansell won Sunday's Mexican Grand Prix, beating Nelson Piquet of Brazil by 26 seconds. With a time of 1:26:24.21, Mansell won his sixth race of the Formula One season; in second place with 61 points, he is eight behind Piquet, his Williams-Honda teammate. Two races remain — in Japan Nov. 1 and Australia Nov. 15.

Mansell battled Piquet through the second half of the race, slipping to second briefly on the 48th lap. Piquet had rallied after the first lap, when he brushed Alain Prost and knocked the Frenchman out of the race.

Italian Riccardo Patrese was third in a Brabham, while American Eddy Cheever finished fourth in an Arrows.

Quotable

• Sugar Ray Leonard, saying that as a manager he will spar with his fighters. "There's nothing like a stiff punch to make you listen." (AP)

• Former New York Ranger Rod Gilbert, on whether hockey fights are faked: "If they were, you would have seen me in more of them." (LAT)

SCOREBOARD

Baseball

World Series

ST. LOUIS	MINN.	ATLANTIC	PACIFIC	SOUTHEAST	SOUTHWEST
St. Louis	1-0	1-0	1-0	1-0	1-0
St. Louis	1-0	1-0	1-0	1-0	1-0
St. Louis	1-0	1-0	1-0	1-0	1-0
St. Louis	1-0	1-0	1-0	1-0	1-0
St. Louis	1-0	1-0	1-0	1-0	1-0
St. Louis	1-0	1-0	1-0	1-0	1-0
St. Louis	1-0	1-0	1-0	1-0	1-0
St. Louis	1-0	1-0	1-0	1-0	1-0
St. Louis	1-0	1-0	1-0	1-0	1-0
St. Louis	1-0	1-0	1-0	1-0	1-0

Selected U.S. College Conference Standings

CONFERENCE	W	L	T	P	PA
Atlantic Coast	10	1	0	0	0
Big Ten	10	1	0	0	0
Big East	10	1	0	0	0
Big South	10	1	0	0	0
Big West	10	1	0	0	0
Big Sky	10	1	0	0	0
Big Red	10	1	0	0	0
Big Green	10	1	0	0	0
Big Blue	10	1	0	0	0
Big Yellow	10	1	0	0	0

Football

CONFERENCE	W	L	T	P	PA
Atlantic Coast	10	1	0	0	0
Big Ten	10	1	0	0	0
Big East	10	1	0	0	0
Big South	10	1	0	0	0
Big West	10	1	0	0	0
Big Sky	10	1	0	0	0
Big Red	10	1	0	0	0
Big Green	10	1	0	0	0
Big Blue	10	1	0	0	0
Big Yellow	10	1	0	0	0

Hockey

NHL Standings

CONFERENCE	W	L	T	P	PA
Atlantic	10	1	0	0	0
Central	10	1	0	0	0
East	10	1	0	0	0
West	10	1	0	0	0
North	10	1	0	0	0
South	10	1	0	0	0
Midwest	10	1	0	0	0
Far West	10	1	0	0	0
Far East	10	1	0	0	0
Far North	10	1	0	0	0

SUNDAY'S RESULTS

CONFERENCE	W	L	T	P	PA
Atlantic	10	1	0	0	0
Central	10	1	0	0	0
East	10	1	0	0	0
West	10	1	0	0	0
North	10	1	0	0	0
South	10	1	0	0	0
Midwest	10	1	0	0	0
Far West	10	1	0	0	0
Far East	10	1	0	0	0
Far North	10	1	0	0	0

CFL Standings

CONFERENCE	W	L	T	P	PA
Atlantic	10	1	0	0	0
Central	10	1	0	0	0
East	10	1	0	0	0
West	10	1	0	0	0
North	10	1	0	0	0
South	10	1	0	0	0
Midwest	10	1	0	0	0
Far West	10	1	0	0	0
Far East	10	1	0	0	0
Far North	10	1	0	0	0

Golf

CONFERENCE	W	L	T	P	PA
Atlantic	10	1	0	0	0
Central	10	1	0	0	0
East	10	1	0	0	0
West	10	1	0	0	0
North	10	1	0	0	0
South	10	1	0	0	0
Midwest	10	1	0	0	0
Far West	10	1	0	0	0
Far East	10	1	0	0	0
Far North	10	1	0	0	0

NFL Standings

CONFERENCE	W	L	T	P	PA
Atlantic	10	1	0	0	0
Central	10	1	0	0	0
East	10	1	0	0	0
West	10	1	0	0	0
North	10	1	0	0	0
South	10	1	0	0	0
Midwest	10	1	0	0	0
Far West	10	1	0	0	0
Far East	10	1	0	0	0
Far North	10	1	0	0	0

SUNDAY'S RESULTS

N.Y. Jets 39, Miami 21, OT
New England 21, Houston 7
Cleveland 34, Cincinnati 6
Green Bay 14, Philadelphia 10, 0
New Orleans 19, Chicago 17
Tampa Bay 20, Minnesota 18
Atlanta 24, L.A. Rams 20
Buffalo 6, N.Y. Giants 3, OT
San Diego 23, L.A. Raiders 17
Denver 26, Kansas City 17
San Francisco 34, St. Louis 28
Alexander's Game
Washington at Dallas

CFL Standings

	Eastern Division			
	W	L	T	P
x-Winnipeg	11	4	0	4
x-Toronto	9	6	1	4
x-Hamilton	4	9	0	2
Ottawa	2	13	0	8

	Western Division			
	W	L	T	P
x-Brit. Cmb.	9	4	0	4

